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Japan

Takemura Calls Super 301 Revival Unproductive

OW0203081094 Tokyo KYODO in English 0757 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—U.S. President Bill Clinton's possible move to revive the Super 301 trade retaliation mechanism through an executive order would be "unproductive" for Japan-U.S. trade relations, Chief Cabinet Secretary Masayoshi Takemura said Wednesday [2 March].

"I cannot help describing such a decision to resuscitate the Super 301 as unproductive," the top government spokesman told a news conference.

Noting Tokyo has decided to voluntarily devise a package of possible measures to further open its markets by the end of March, Takemura said, "we strongly urge the U.S. Government to take sensible action."

The chief cabinet secretary made the comments after THE NEW YORK TIMES reported Clinton is scrambling to reinstate his legal authority to impose early sanctions on Japan.

Super 301, passed by the U.S. Congress in 1988, gives the President the right to retaliate against countries which the United States deems to be engaging in unfair trade practices.

Official: Spero To Visit Tokyo for Trade Talks

OW0203091694 Tokyo KYODO in English 0906 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—U.S. Undersecretary of State Joan Spero will visit Japan next week for talks with Japanese officials on bilateral trade affairs, a senior Foreign Ministry official said Wednesday [2 March].

Spero, a top State Department official in charge of economic affairs, is likely to arrive in Japan before or around March 9, when U.S. State Secretary Warren Christopher is also due in Japan, the official said.

She is likely to hold talks with Deputy Foreign Minister Koichiro Matsuura, a top negotiator in the bilateral trade "framework" talks, he said.

Prime Minister Morihiro Hosokawa and President Bill Clinton met on February 11 in Washington but failed to reach accord on the framework talks.

Christopher is scheduled to visit Japan between March 9 and 11 on his three-nation Asia-Pacific trip.

It is not yet clear whether Spero will accompany Christopher to Japan or will make the trip separately, the official said.

Compromise With U.S. Nears on Cellular Phones

OW0203105994 Tokyo KYODO in English 1034 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan and the United States may reach a compromise soon on opening the Japanese cellular phone market, negotiating sources said Wednesday [2 March].

As soon as a compromise is reached, the Posts and Telecommunications Ministry will start negotiations with the U.S. to avert possible U.S. trade sanctions, the sources said.

The U.S. has said it will retaliate against Japan if Japan fails to open the cellular phone market to the products of Motorola Inc.

Japanese cellular phone company Nippon Idou Tsushin Corp. (IDO) has indicated readiness to make further concessions on Motorola's demand for more purchases of its systems and equipment.

Motorola has said it will urge the U.S. Government not to impose sanctions if it reaches a settlement with IDO, according to the sources.

IDO in January came up with a plan for installation of more Motorola-type cellular phone stations, but that failed to satisfy the U.S.

Under that plan, 134 such stations were to have been established by March 1997.

But Motorola asked, among other things, that IDO implement the plan two years earlier.

IDO and Motorola are continuing negotiations on the plan, the sources said.

BOJ: U.S. GDP Rise Shows Competitiveness

OW0203004094 Tokyo KYODO in English 0003 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—A jump in U.S. economic growth in the last three months of 1993 was mainly due to a steady recovery in U.S. competitiveness in the world market, a Bank of Japan [BOJ] source said late Tuesday [1 March].

The source made the remarks shortly after the U.S. Commerce Department announced that gross domestic product (GDP) grew 7.5 percent in annualized terms in the October-December quarter.

"Expansion in exports contributed chiefly to the improvements," the source said.

Touching on the yen-dollar rate, the BOJ source said, "Forex players will now shift their attention to economic conditions of both countries—away from Japan's domestic political uncertainty—with mounting expectations that a gap in their economic fundamentals will not shrink further for a while."

Trade Rift With U.S. Worries Machinery Makers

OW0203040494 Tokyo KYODO in English 0350 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan's industrial machinery manufacturers urged the trade minister Wednesday [2 March] to take steps to ensure that the Japan-U.S. trade friction will not negatively affect the industry's earnings.

The call came from Tsunesaburo Nishimura, president of the Japan Society of Industrial Machinery Manufacturers, in a meeting of industry leaders with International Trade and Industry Minister Hiroshi Kumagai.

Nishimura said the industry is concerned about the yen's renewed surge against the dollar following the breakdown in February of the Japan-U.S. trade framework talks.

The Japanese currency's excessive strength may undermine the industry's cost-cutting and other restructuring efforts, he said.

Nishimura and nine other industrial leaders, each representing machinery manufacturing for such sectors as engineering, construction, textiles and robots, jointly made the request to Kumagai during consultations over breakfast.

The machinery industry hopes the Ministry of International Trade and Industry (MITI) will ensure the trade dispute does not deal a blow to its earnings, which are just recovering in some sectors from the long recession, said Nishimura, who is also an adviser to Sumitomo Heavy Industries Ltd.

Kumagai said MITI will do its best to have the request reflected in its policy.

Nishimura said some bright spots are being seen in such sectors as semiconductor-manufacturing equipment, machines for making housing materials and waste disposal machinery.

But construction machinery, a major leading indicator for Japan's economy, is still in the doldrums, he said.

Officials Urge Slashing U.S. Trade Surplus

OW0203031994 Tokyo KYODO in English 0254 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Parliamentary vice ministers Wednesday [2 March] called for the need to slash Japan's huge trade surplus in an effort to seek sound bilateral ties with the United States, a government spokesman said.

At a meeting of parliamentary vice ministers, Yuriko Koike of the Management and Coordination Agency said that behind strained ties between the two nations is Japan's massive trade surplus, Deputy Chief Cabinet Secretary Yukio Hatoyama told a news conference.

Koike reportedly spoke of the need to take necessary surplus cutting measures to put Tokyo-Washington ties back on the right track.

Japan's global trade surplus soared to some 130 billion dollars last year, of which about 60 billion dollars was with the U.S.

Washington has been increasing pressure on Tokyo to whittle down its lopsided trade surplus since the collapse of talks on a bilateral trade framework in mid-February.

Aogu Matsumae, parliamentary vice minister for the Posts and Telecommunications Ministry, echoed Koike's view and also called for steps to rectify the trade imbalance with the U.S. as quickly as possible, Hatoyama said.

Noting relations with the U.S. are the most important bilateral ties for Japan, Morio Kimura of the Agricultural, Forestry and Fisheries Ministry said Tokyo must strive to maintain positive relations.

Kumagai Discusses Trade Relations With U.S.

OW0203095094 Tokyo KYODO in English 0925 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan should maximize its efforts to prevent the unfolding trade squabble with the United States from undermining the basic foundation of the bilateral ties, trade minister Hiroshi Kumagai said Wednesday [2 March].

Tokyo has no time to waste in settling growing economic frictions with the U.S., International Trade and Industry Minister Hiroshi Kumagai said in an interview with KYODO NEWS SERVICE.

Kumagai said the basic framework of the Japan-U.S. ties as "a mutually important partner" remains unchanged.

The only change is that the alliance has become "symmetrical" after the end of the Cold War structure, the trade minister said.

The two countries have come to regard each other as "a competitor" as economic issues were brought under a spotlight in the absence of military and political issues as seen during the Cold War era, he explained.

Under this relationship, "adjustment of economic interests" by both parties naturally gets "more conflicting and intense," Kumagai said.

Kumagai confirmed that Japan-U.S. economic ties have become worst amid slow progress in opening Japan's markets and the unabated trade imbalance lopsidedly in favor of Tokyo.

In order to mend the soured ties that got more conspicuous following the aborted trade "framework" talks in February, Tokyo should urgently devise a way to "assuage the U.S. frustration and the uneasiness," Kumagai said.

But he said Japan should not seek a breakthrough via such ways as accepting a numerical target to gauge imports, noting the step is unacceptable in terms of principle.

Kumagai said that for Japan to leave unattended its "strikingly big" current account surplus would not be in the interest of the U.S. and the global economy.

He said the situation cannot be explained just by the widely used argument that the U.S. trade imbalance was attributed more to problems involved in its investment and savings balance.

The biggest task facing Prime Minister Morihiro Hosokawa after its first cabinet shakeup expected shortly is to formulate viable and effective plans both in macroeconomic and microeconomic fields, Kumagai said.

Tokyo, if it fails to handle the trade issue with the U.S. properly, would most likely face "a barrage of sanctions," undermining the basic framework of the bilateral ties, Kumagai said.

But he added Tokyo should not accept numerical targets by succumbing to "threat of sanctions" used by some advisers within the administration of U.S. President Bill Clinton who believe in the "heterogeneity" of Japan from other major countries.

"Both parties have already confirmed where the summit of the mountain is," he said. "Where to start climbing is what Japan and the U.S. are groping for at present."

As one approach to break through what he terms "the deadlocked ties," the trade minister endorsed the recent proposal by the Foreign Ministry for setting nonbinding "effort goals" in macroeconomic fields.

The proposal calls for reducing the ratio of Japan's current account surplus against gross domestic product (GDP) to 2.8 percent for fiscal 1994 from 3.1 percent estimated in the previous year.

Kumagai said Tokyo should clarify its stance that the 2.8 percent figure is not anything like ones subject to sanctions in the event of the goal's failure to meet.

On auto trade issues, one of the most contentious and thorniest points under the framework talks, Kumagai renewed a call for the Japanese auto industry to compile a voluntary plan to expand purchases of U.S.-made auto components and automobiles.

The trade minister said he understands that the auto industry has reasons to reject unreasonable requests from U.S. and other foreign countries. But this does not mean the industry should always keep a posture of not listening to them from the beginning, he said.

The private sector "grows old enough" to work out ways to settle trade problems on their own, he said.

The positive stance shown on this point by the auto industry last week represents "a step forward" toward the ideal situation, he said.

Kumagai said the trade ministry will also step up efforts to improve a situation in government procurement, citing the area as where the government has reach.

On possible U.S. sanctions against Tokyo over cellular phone trade, Kumagai said Washington must be receiving "some signals" from Japan indicating its willingness to solve the problem.

But he declined to comment on what kind of reaction the U.S. is showing to Japan in response to its signals ahead of the March 17 deadline for listing sanctions.

Kumagai said the Hosokawa administration was able to "honor three of four bills" drawn by the previous government of Kiichi Miyazawa—the Uruguay Round, rice market opening and political reforms.

The other issue of ways to spur the economy is what Hosokawa should do urgently now, he said.

Formulation of economy-boosting measures containing the politically sensitive tax cuts and hikes is beyond control of bureaucrats, the trade minister said.

These issues are exactly what would require a political decision, he added, indicating the government should map out a comprehensive tax reform within this year in line with the coalition accord.

U.S. Trade Group Says Chips Pact Breached

OW0203001794 Tokyo KYODO in English 2359 GMT 1 Mar 94

[Text] Washington, March 1 KYODO—The U.S. microchips industry accused Japan on Tuesday [1 March] of violating a 1991 accord on semiconductor trade and sought an "immediate" remedy from the U.S. and Japanese Governments.

The Semiconductor Industry Association (SIA) said Japan has violated the 1991 U.S.-Japan Semiconductor Agreement, because the foreign share of the Japanese microchips market suffered a "steady decline" last year.

"Consequently, the U.S. Government and the Government of Japan must immediately consider all actions needed to ensure compliance," the trade group said in a review of the trade pact.

The report said the 1991 accord calls for a "gradual, steady" growth of foreign sales in Japan over a five-year period but the foreign share dropped 2.1 percentage points in the first three quarters of last year after hitting 20.2 percent of the Japanese market in the last quarter of 1992.

"The steady decline in the foreign share of the Japanese semiconductor market in 1993 violates the 1991 U.S.-Japan semiconductor and the 1993 U.S.-Japan framework agreement, which requires full implementation of all existing bilateral trade agreements," it said.

The association, which represents all U.S. semiconductor makers, did not say what remedy it seeks from the U.S. Government.

U.S. charges that Japan violated an earlier version of the semiconductor pact concluded in 1986 prompted the U.S. Government to levy trade sanctions against Japan in April 1987.

The foreign share of the Japanese semiconductor market should reach at least 25 to 28 percent by 1996 if the trend of growth in the foreign share that has taken place since 1986 is maintained over the next four years, the association said.

Despite the 2.1 percentage point fall in the foreign share of the Japanese market last year, the association nevertheless acknowledged that the foreign share showed "significant progress" in 1993 as a whole over the previous year.

If the foreign share for the fourth quarter of 1993—expected to be known in mid-March—maintains the average level of the first three quarters, the foreign share will have averaged about 2.3 percentage points higher in 1993 than in 1992, the report said.

Clinton, Major Voice Concern on Trade Policy

OW0103233994 Tokyo KYODO in English 2304 GMT 1 Mar 94

[Text] Washington, March 1 KYODO—U.S. President Bill Clinton and British Prime Minister John Major expressed concern Tuesday [1 March] about Japan's trade policy and urged Japan to further open up its markets to foreign products.

The United States and Britain will also support advancing the implementation date of the new General Agreement on Tariffs and Trade (GATT) trade accord to January 1 next year, Major said.

Major, who met with Clinton over breakfast Tuesday, told reporters that he and Clinton spent "some time" discussing Japan's markets for foreign products.

"We both share a wish to support the growing measure of opinion that exists in Japan, for example, for the further opening of Japanese markets," Major said after emerging from the White House session with Clinton.

"This is a matter of concern to the United States. It's a matter of concern throughout the European Union as well," Major said, with Clinton looking on by his side.

Japan runs big trade surpluses both with the United States and the European Union. Trade talks between Tokyo and Washington collapsed last month on ways to whittle down Japan's trade surplus with the U.S.

On another trade matter, Major said he and Clinton agreed that "it would be desirable" to move up the starting date of the so-called "Uruguay Round" accord concluded last December under GATT auspices.

"The sooner that agreement can be implemented, the better it will be," Major said.

Under the terms worked out by 117 GATT member countries last December, the trade pact is tentatively scheduled to go into force on July 1, 1995.

U.S., Britain Support Permanent UNSC Seats

OW0203023994 Tokyo KYODO in English 0221 GMT 2 Mar 94

[Text] New York, March 1 KYODO—The United States and Britain expressed support for making Germany and Japan permanent members of the United Nations Security Council [UNSC] as talks resumed Tuesday [1 March] on reform of the world body, diplomatic sources said.

The support came at a meeting of a U.N. working group deliberating the reforms, including the question of expansion of Security Council permanent membership.

It is believed to be the first time that Britain has cited Germany and Japan by name in supporting an expansion of permanent members beyond the current five—Britain, China, France, Russia and the U.S.

The sources said France also indicated support for Germany and Japan by saying permanent membership should be offered to countries that have considerable influence globally and a will to maintain international security.

Aside from the five permanent members, representatives of some 10 other countries made statements on the question of restructuring the Security Council.

The working group, which held its first meeting last month, is scheduled to submit an interim report on its deliberations to the General Assembly's regular session beginning in the third week of September.

Tokyo To Help Ukraine Dismantle Nuclear Arms

OW0203083094 Tokyo KYODO in English 0812 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan and Ukraine signed an agreement in Kiev on Wednesday [2 March] to cooperate on dismantling nuclear weapons in Ukraine and to set up a committee for effectively carrying out the work, the Foreign Ministry said.

Japanese Ambassador to Ukraine Shoji Suezawa signed the agreement with Ukraine Foreign Minister Anatoliy Zlenko, the ministry said.

The committee will include representatives of the Governments of Japan and Ukraine, it said.

The accord follows Japan's announcement in April last year at a ministerial meeting of the Group of Seven (G-7) nations that it would extend a grant-in-aid of 100 million dollars for the promotion of nuclear weapons destruction in the former Soviet Union.

Ukraine is one of the four former Soviet republics that inherited nuclear weapons when the Soviet Union broke up in 1991.

Japan signed a similar accord on cooperation on nuclear nonproliferation with Belarus in November. Japan has yet to sign an agreement with Kazakhstan.

In January, U.S. President Bill Clinton, Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk agreed to scrap Ukraine's 176 intercontinental ballistic missiles and 1,800 warheads.

Japan Foundation Opens Office in Beijing

OW0203005494 Tokyo KYODO in English 0020 GMT 2 Mar 94

[Text] Beijing, March 2 KYODO—Japan Foundation, the public corporation promoting cultural exchange under the jurisdiction of the Foreign Ministry, opened a Beijing liaison office on Monday [28 February].

Chinese Vice Culture Minister Cheng Changben and Japan Foundation head Shinichiro Asao were among those present at an opening ceremony for the office, foundation officials said.

The Beijing office aims to promote Sino-Japan cultural exchanges, they sajd.

The foundation maintains a cultural center in Jakarta, cultural institutes in Cologne and Rome, and liaison offices in Bangkok, Kuala Lumpur, London, Los Angeles, Mexico City, New York, Paris, Sao Paulo, Sydney and Toronto.

Nagoya Bank Signs Accord With Two PRC Cities

OW0203053694 Tokyo KYODO in English 0518 GMT 2 Mar 94

[Text] Nagoya, March 2 KYODO—The Bank of Nagoya, a medium-sized Japanese regional bank, said Wednesday [2 March] it has signed agreements with two Chinese municipal authorities on business cooperation.

The bank said the agreements, concluded with Changzhou and Konshan in the coastal province of Jiangsu, call for exchanges of financial information and cooperation in promoting bilateral trade and joint ventures.

It now has collaboration agreements with six Chinese municipalities, the only Japanese commercial bank to do so.

The bank said it has so far helped 24 customers to launch joint ventures and 60 firms to conclude deals with Chinese partners.

Thai Official Defends Quality of Exported Rice

OW0203093394 Tokyo KYODO in English 0827 GMT 2 Mar 94

[Text] Kitakyushu, Fukuoka Pref., March 2 KYODO—A Thai commerce official Wednesday [2 March] expressed confidence in the quality of rice from Thailand, saying it is strictly regulated by Bangkok.

Churin Laksanawisit, vice minister of commerce, told reporters at a Thai products fair here that there are a number of domestic quality inspections of rice before it is exported and inspected in Japan.

The vice minister said Bangkok recognizes the importance of value and quality.

Japan recently began importing rice on an emergency basis to cover shortfalls caused by harvest shortages last year due to an unusually cool summer.

The rice imports have been met with opposition by Japanese farmers and consumer groups, along with reports that some of the rice coming into Japan has been discolored by mold.

As for the flavor of Thai rice, Laksanawisit began by noting that the method of preparing the rice in Japan and Thailand is different but added that if Japanese consumers get used to the way of cooking Thai rice they would find it delicious.

Takemura Denies Peacekeepers for Golan Heights

OW0203052594 Tokyo KYODO in English 0437 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan is considering dispatching peacekeeping troops to the Golan Heights, a Tokyo daily reported Wednesday [2 March].

But top government spokesman Masayoshi Takemura denied the TOKYO SHIMBUN report, saying, "It is not true that the government is weighing the possibility of sending Self-Defense Forces (SDF) units to the Golan Heights."

In the frontpage story in its Wednesday morning edition, the TOKYO SHIMBUN reported Japan may dispatch around 50 members of the Ground Self-Defense Force (GSDF) to the Golan Heights, an area occupied by Israel since it seized the territory from Syria in 1967.

A total of 1,120 troops of the UN Disengagement Observer Force (UNDOF) monitor the cease-fire between Israel and Syria in an area determined by a May 1974 agreement on disengagement.

The report, quoting government sources, said the government of Prime Minister Morihiro Hosokawa is

seeking another destination for Japanese peacekeepers after the current mission in Mozambique finishes its duties following July elections there.

Takemura told a morning news conference that Tokyo has received no request from the United Nations to join peacekeeping operations in the Middle East.

The report quoted the sources as saying Japan is eyeing the Middle East for its third peacekeeping mission, following SDF dispatches to Cambodia and Mozambique.

Japan joined UN peacekeeping operations for the first time in 1992 when it sent an engineer corps to Cambodia to help build roads and bridges. It was the first time for Japanese troops to go abroad for such duties since World War II.

The sources also favored the Middle East in light of criticism of Japan's decision not to put its own citizens at risk in the 1991 war in the Persian Gulf, the daily said.

At the time, Japan made a 13 billion dollar financial contribution to the U.S.-led multinational forces arrayed against Iraq and also to three affected states of Egypt, Jordan and Turkey, but after heated domestic debate decided against sending military personnel.

The daily suggested that Japanese peacekeepers could be sent to the Golan Heights to replace some of the logistics personnel from Canada, but this would require arrangements with the UN and Canada.

The UNDOF, which includes troops from Austria and Poland, and logistics personnel from Canada, has seen 31 fatalities but there have been virtually no cease-fire violations since 1977.

City Banks To Set Up Brokerage Subsidiaries

OW2802235094 Tokyo KYODO in English 2306 GMT 28 Feb 94

[Text] Tokyo, March 1 KYODO—The Finance Ministry is to give permits to nine major commercial banks including Dai-Ichi Kangyo Bank to set up brokerage subsidiaries as early as this week, ministry officials said Tuesday [1 March].

The so-called city banks are expected to begin brokering businesses such as underwriting corporate bonds this summer, the officials said.

The move will accelerate reforms of the financial system, calling for the breaking down of a "fire wall" separating banking and brokerage businesses, a ministry official said.

Under the reforms, subsidiaries for brokering businesses were launched last year by the Industrial Bank of Japan, the Long-Term Credit Bank of Japan, Norinchukin Bank and two trust banks.

The other eight city banks to be given permits are Sakura, Fuji, Sumitomo, Mitsubishi, Tokai, Sanwa, Asahi and Hokkaido Takushoku Banks.

EPA Says Yen Appreciation Cuts Import Prices

OW2802130094 Tokyo KYODO in English 1226 GMT 28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Retail prices of imported goods sold in Tokyo dropped in February, reflecting the appreciation of the Japanese yen, the Economic Planning Agency [EPA] reported Monday [28 February].

The agency, citing its survey in Tokyo's 23 wards, said prices declined from the year before for 16 of 20 items examined.

Perishables such as beef and bananas were sold at prices lower than those at customs clearance but retail prices of clothes such as shirts and brassieres were higher than customs clearance prices, the agency said.

Retail prices of beef and bananas dropped 17.5 percent and 12.8 percent, respectively, from the year-earlier level and their customs clearance prices were down 7.3 percent and 13.7 percent, respectively.

Prices of shirts and brassieres declined only 4.9 percent and 5.6 percent from the previous year against price falls of 22.1 percent and 15.3 percent at customs clearance, the agency said.

Council Recommends Raising Pension Age to 65

OW0103144794 Tokyo KYODO in English 1438 GMT 1 Mar 94

[Text] Tokyo, March 1 KYODO—A government advisory panel on Tuesday [1 March] recommended raising the age at which retired corporate employees can draw state-managed retirement pensions to 65 from the current 60 in an effort to cope with the rapid aging of society, officials said.

The National Pension Council made the recommendations in a report to Health and Welfare Minister Keigo Ouchi, the officials said.

The council suggested that the age at which employees qualify for the welfare pension be gradually raised to 65 from the year 2001.

The ministry plans to submit bills on revision of the pension system to the current regular Diet session in mid-March for approval, they said.

One in four people in Japan will be 65 or over by early next century. A government survey found that nearly 70 percent of people want to work beyond the age of 60.

Jan Tax Revenues Show Bright Economic Signs

OW0203103294 Tokyo KYODO in English 0948 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan's tax revenues in January have indicated some bright signs for the economy, with proceeds from items related to goods movements poised to recover, the Finance Ministry said Wednesday [2 March].

January tax revenues edged down 1.0 percent from a year earlier to 4.89 trillion yen, resulting in cumulative revenues of 35.60 billion yen for the April-January period of the current fiscal year, up just 0.1 percent.

But a ministry official said, "We have a particular interest in stamp revenues," which he said have moved higher for the past two to three months.

Revenue and other stamps are required for big-ticket purchases such as receipts, housing contracts and registrations, and reflects goods movements, the official said.

January stamp revenues rose 0.1 percent from a year earlier to 105.76 billion yen.

After only two or three months "it's still too early to judge," the official said, "but this is certainly a good trend."

Proceeds from consumption tax also rose 6.7 percent to 253.00 billion yen, with revenues from domestic products performing "fairly well" although those on imports remained sluggish, he said.

But he maintained a cautious stance in referring the trend to buoyant consumption.

Also showing signs of recovery are liquor tax revenues, totaling 158.40 billion yen in January, down a low 0.7 percent.

The official said beer sales picked up from the sustained sluggish performance since the unusually cool summer but poor whisky sales offset the tax revenues in January.

Proceeds from securities transactions remained brisk in reaction to low trading volume last year, rising 28.2 percent to 33.20 billion yen.

The overall tax revenues, however, remained lackluster because of mixed factors, the official said, citing relatively low proceeds from income, corporate and inheritance taxes.

Revenues from withholding income tax stayed unchanged at 3,310.09 billion yen, mirroring the lower winter bonuses for December on which the revenues are based, the official said.

He noted the unchanged figure came primarily on higher interest income.

Corporate tax revenues fell 8.1 percent to 386.87 billion yen due to poor earnings at smaller firms. Inheritance tax proceeds dropped 12.3 percent to 191.80 billion yen in reaction to a sharp rise a year before.

The April-January progress rate against estimated fiscal 1993 tax revenues of 55.68 trillion yen came to 63.9 percent, down from 65.3 percent a year earlier.

The official said the major reason was the lower bonus capping increase in income taxes that account for some 70 percent of the overall revenues, and stressed that the overall trend "remains the same."

He said the key to this fiscal year's tax revenues "is on declared income and corporate book-closing" both made in March.

Keidanren's Hiraiwa Expects Economy To Improve

OW0203103194 Tokyo KYODO in English 1004 GMT 2 Mar 94

[Text] Hiroshima, March 2 KYODO—A prominent business leader said Wednesday [2 March] that the business community is not in a position to comment on a proposed cabinet reshuffle.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said a reorganization of the cabinet and a Diet dissolution "are the rights given to the prime minister," and any move is up to Prime Minister Morihiro Hosokawa.

"We are not in a position to comment on it," Hiraiwa said at a press conference in Hiroshima in western Japan.

As for the state of the economy, Hiraiwa said he has an impression that the economic situation has been changing a bit since the start of this year. He noted that he expects the economy to improve following progress in corporate restructuring.

Hiraiwa was asked for his comment on the Bank of Japan's latest quarterly survey of business sentiment released Tuesday that indicated a halt in the nine-month deterioration in the business outlook.

Hiraiwa said, however, that a stronger yen could be a drag on economic recovery and warned that Japanese companies would be in trouble if the yen strengthens any further.

Curb on Low Public Works Bids Criticized

OW0203101594 Tokyo KYODO in English 0901 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—The chief of a Japanese construction industry group Wednesday [2 March] criticized another construction industry group's request that member companies refrain from "dumping" in their bids for public works contracts.

Taira Shibata, chairman of the Japan Civil Engineering Contractors Association and president of Nishimatsu Construction Co., told reporters the proposal to curb bids of less than fair value could restrict bid value and contravene the Antimonopoly Law.

His comments were made in response to the request by Kenji Maeda, chairman of the Japan Federation of Construction Contractors and president of Maeda Corp., on February 21.

Shibata said fair value is difficult to define, since contractors sometimes cut their bids through active cost-reduction efforts.

Low bids also mean more competitive bidding through measures to restrict the practice of bid rigging, Shibata said.

Smaller Firms See Earnings Hit Bottom

OW0203095394 Tokyo KYODO in English 0722 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Earnings at small and medium-sized firms are poised to hit bottom although labor and production facilities remain excessive, Small Business Finance Corp. said Wednesday [2 March] in its monthly survey.

The government-backed institution said in the February survey that the diffusion index of profits came to a seasonally adjusted minus 26.4 from January's minus 30.7, with the sales index improving to minus 14.7 from minus 18.9.

Looking three months ahead, the sales index came to minus 4.4 from the previous month's minus 6.9, with signs for recovery seen particularly in the consumer electronics and public-works related construction fields.

But the institutions noted "concerns over adverse effects, again primarily on subcontractors related to exporters from the yen's recent further advance."

The index represents the percentage of those answering "an increase" minus those saying "a decline."

The survey covered 900 smaller firms, with responses obtained from 662 firms, or 73.6 percent.

The product inventory index, or the net saying shortage, deteriorated to minus 23.5 from minus 22.1, with stockpiles considered excessive on a broad front.

The labor shortage index waned to minus 13.9 from minus 15.5, with an excessive labor force continuing in precision equipment, steel and auto parts firms although some improvements are seen at electric machinery and chemical manufacturers.

Nikkeiren's Nagano Voices Caution on Economy

OW0203084194 Tokyo KYODO in English 0800 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Takeshi Nagano, one of Japan's leading business executives, Wednesday [2 March] cautioned against premature optimism over the state of the Japanese economy.

Nagano, president of the Japan Federation of Employers Association [Nikkeiren], told a press conference that the "tankan" business survey by the Bank of Japan (BOJ), published the previous day, cannot be considered an exact reflection of reality.

He said the report is "based on figures taken before the Japan-U.S. summit meeting" February 11, since when U.S. pressure has been mounting on Japan to cut its huge current account surplus.

"So it is premature to say the economy has bottomed out. Last year, signs of recovery were immediately followed by worsening of the situation. I cannot be pleased with the report without reserve," Nagano said.

The tankan report indicated that pessimism among businesses has hit bottom, with the BOJ index for business confidence among major manufacturers surveyed in February at minus 56, unchanged from the previous survey taken in November last year.

Nagano also reiterated his proposal for no wage increases in the coming fiscal year, starting in April.

"Further hikes in wages will encourage hollowing of the industry. Japan's wages are already the world's highest in nominal terms," he said.

Researchers Produce High Current Superconductor

OW0203093594 Tokyo KYODO in English 0844 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Japan's superconductivity research laboratory has developed a superconductor with the world's largest conductivity rate, laboratory officials said Wednesday [2 March].

The superconductor has a current density of 15,000 amperes per square centimeter at 77 kelvin and 3 tesla.

The previous highest conductivity rate was at 5,000 amperes per square centimeter in superconductors made from yttrium, which was also developed by the laboratory.

The laboratory is affiliated with the Ministry of International Trade and Industry and receives half of its funds from private firms.

Superconductivity occurs when electrical resistance in a metal completely disappears at temperatures near absolute zero.

The researchers found a new method of increasing the rate by controlling the oxygen around the substances when they are melted down for processing.

This method, dubbed the oxygen controlled melt growth process, gives birth to numerous pinning centers. Pinning centers have the effect of stabilizing magnetic flux, and the more that exist, the larger the current density.

The new superconductor can be applied for such uses as superconducting magnets that lift linear motor cars, and also for energy storage, the officials said.

There are two types of the new superconductor, one made from a blend of neodymium, copper oxide and barium, and the other from samarium, copper oxide and barium.

Shinseito's Watanabe on Cabinet, Political Reform

OW0203085594 Tokyo NHK General Television Network in Japanese 0054 GMT 27 Feb 94

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0054 GMT on 27 February in its weekly 75-minute "Discussion" program, which begins at 0000 GMT, carries a 17-minute live interview with Kozo Watanabe, deputy general secretary of Shinseito [Japan Renewal Party], on the current domestic political issues, mostly regarding Prime Minister Morihiro Hosokawa's reported plan to reshuffle his cabinet. The interviewers are NHK commentator Takashi Yamamoto and Tsukuba University professor Ikuo Kawashima.

Yamamoto notes that the coalition is about equally divided over the issue of the cabinet reshuffle, with Shinseito and Komeito supporting it and the Social Democratic Party of Japan [SDPJ] and two other parties disapproving it. Yamamoto then asks Watanabe for comment. Watanabe says that Prime Minister Hosokawa thinks it is time to realign the cabinet into one appropriate for long-term rule now that he has surmounted the major hurdle of political reform issues, while people not in favor of the cabinet reshuffle think the present cabinet should be maintained at least until the Diet deliberations on the 1994 budget are over. Watanabe expresses support for the cabinet reshuffle, saying: "If the prime minister makes a decision, everyone should cooperate with him."

At 0057 GMT, the topic turns to the widely circulated reports that the true intention of the cabinet reshuffle is to remove Masayoshi Takemura from the post of chief cabinet secretary, and Professor Kawashima asks for Watanabe's view on that. Watanabe says, "Even though the newspapers are stirring up the matter, what is important is for the coalition parties—particularly the five parties—to cooperate in turning this government into a long-reigning one." But Watanabe is also critical of Takemura's attitude towards the prime minister, saying "The chief cabinet secretary is a person who must support the prime minister," and questioning the advisability of a chief cabinet secretary "standing out too much."

Yamamoto asks Watanabe whether someone from Shinseito will take over the post of chief cabinet secretary in case a cabinet reshuffle does come, Watanabe replies, "No. At least Shinseito is not asking for it."

At 0059 GMT, Yamamoto brings up the reports that the Social Democratic Party of Japan [SDPJ], the Democratic Socialist Party, and Shinto Sakigake [Harbinger Party] are trying to create a new political group in an alliance separate from Shinseito and Komeito. Asked to comment on the reports, Watanabe says, "Even that is mostly the creation of the mass media." He says the coalition must win in the House of Councillors election next year if it wants to realize further political reforms and to foster political stability in the aftermath of the reforms. He says all the parties in the coalition must remain united in order to win in the election. Watanabe also says Shinseito wants to solidify ties with the Japan New Party first of all, and then with other member parties in the coalition.

SDPJ Head on Hosokawa Cabinet Reshuffle Plan

OW0203011994

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0028 GMT on 27 February in its weekly 75-minute "Discussion" program, which begins at 0000 GMT, carries a 25-minute live interview with Tomiichi Murayama, chairman of the Social Democratic Party of Japan [SDPJ], on current political issues, including the cabinet reshuffle and political reform. The interview is conducted by NHK commentator Takashi Yamamoto and Tsukuba University Professor Ikuo Kawashima.

Asked to give his view on why Prime Minister Morihiro Hosokawa wants to reshuffle the cabinet, Murayama says he does not know the prime minister's true intention. Murayama notes he is against the idea of a cabinet reshuffle, saying the coalition government has many other important things to do now. He adds: "The prime minister never personally told me he would reshuffle the cabinet." Asked what he thinks of the view that the prime minister has a vested right to reshuffle his cabinet whenever he deems it necessary, Murayama says: "Legally speaking, it is indeed a vested right of the prime minister. According to political practice in the past, however, even when the Liberal Democratic Party [LDP] was in power, prime ministers consulted with faction leaders before deciding on cabinet reshuffles. I think this is not a matter which the price minister should decide by dint of his vested right only. Besides, what we have now is a coalition government. I think it is a matter of course for the prime minister to have thorough discussions with other coalition party leaders and to seek a consensus, while maintaining harmony among the coalition parties."

Yamamoto asks Murayama if the SDPJ will ask cabinet ministers from its party to resign should the prime minister decide to reshuffle the cabinet. Murayama replies: "No, I do not think it will be necessary. I am sure we can talk." Asked if Prime Minister Hosokawa and Chief Cabinet Secretary Masayoshi Takemura, although there is discord between them, can remain as a team and smoothly steer the political situation, Murayama says: "I think stories on the discord are exaggerated. The coalition government was formed with Sakigake as an integral part." He also says: "I think it is natural that the prime minister and the chief cabinet secretary sometimes have slightly different opinions. The coalition administration will not last long if we have to do everything as the prime minister says. I think the chief cabinet secretary is responsible for keeping the coalition intact. He has done well in the job of giving consideration to other parties. I am sure the issue can be settled if the prime minister and the chief cabinet secretary have heart-to-heart discussions. Therefore, I am not taking the issue so seriously."

Noting there are reports that Hosokawa has asked Murayama to join the cabinet, Yamamoto asks if he would accept such an offer. Murayama replies: "Judging from the SDPJ's circumstances, it is not easy for me to accept such an offer."

At 0041 GMT, the topic turns to the question of general political matters. Asked how the SDPJ will face elections under the single- seat electoral system, Murayama says: "We no longer can do in the same manner as we did before under the medium-size electoral system. Therefore, we will cooperate with other coalition parties as much as possible in areas where we can cooperate." He adds: "We have to do our best to prevent the LDP from regaining power." Kawashima then points out that the LDP may regain power if the SDPJ fails to cooperate with other coalition parties in elections. Murayama says he understands it very well and says: "We need to be flexible in dealing with the situation. As I said earlier, it is impossible for the SDPJ to win elections single-handedly."

Hosokawa To Decide on Cabinet Reshuffle 2 Mar

OW0103233494 Tokyo KYODO in English 2311 GMT 1 Mar 94

[Text] Tokyo, March 2 KYODO—Prime Minister Morihiro Hosokawa said Tuesday [1 March] that he will make a final decision Wednesday whether to immediately reshuffle his nearly seven-month-old cabinet.

Hosokawa expressed his intention to reporters following a series of separate meetings with coalition party leaders to seek agreement on his plan to shake up the cabinet.

However, an increasing number of the coalition parties believe that Hosokawa may have to give up the plan because of a tight Diet business schedule and strong opposition from the Social Democratic Party (SDP), Sakigake (Harbinger) and the Democratic Socialist Party (DSP), coalition members said.

During a series of separate talks, the prime minister said he wants to tackle economic reform issues, including trade friction between the U.S. and Japan and deregulation, with a second Hosokawa Cabinet, political sources said.

But the SDP, the DSP and Sakigake, which is headed by Chief Cabinet Secretary Masayoshi Takemura, are opposed to an early cabinet reshuffle, while Shinseito and Komeito are endorsing the premier's plan.

The primary purpose of the cabinet reorganization is widely believed to be the replacement of Takemura, top government spokesman and chief of staff, who has been at odds with Hosokawa over several of the government's important policy themes.

Takemura told Hosokawa in a meeting that a cabinet reshuffle could lead to the collapse of the coalition government, the sources said.

Takemura maintains he will not take another cabinet post if Hosokawa changes his cabinet, they said.

SDP Chairman Tomiichi Murayama asked Hosokawa to drop his intention for an early shake-up, stressing the need for the cabinet to be united to tackle economic issues, they said.

Murayama and DSP Chairman Keigo Ouchi told Hosokawa that they oppose the replacement of Takemura, warning such action will damage the coalition foundation, the sources said.

Shinseito leader Tsutomu Hata, meanwhile, told Hosokawa that the party will support the scheme to reshape the cabinet.

Hata, who serves as foreign minister and deputy prime minister, said he notified Hosokawa of his backing in a meeting at the premier's official residence, they said.

A top government official, who did not want to be identified, said Hosokawa still plans to reshuffle the cabinet Wednesday. He said Hosokawa is ready to accept some negative impact following the planned cabinet reshuffle.

Support for Cabinet Drops Below 60 Percent

OW0203005694 Tokyo KYODO in English 0015 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—Popular support for Prime Minister Morihiro Hosokawa's coalition cabinet has fallen below the 60 percent mark for the first time since its August inauguration, according to opinion polls released Wednesday [2 March] by two leading dailies.

A YOMIURI SHIMBUN survey showed that support fell sharply in February to 58 percent, down 14.4 percentage points from the previous month.

Meanwhile, the disapproval rate increased 11.6 points to 29.5 percent. Pollsters surveyed 3,000 eligible voters nationwide from February 26 to 27 and got responses from 2,081, or 69 percent.

According to a separate nationwide survey carried out by the ASAHI SHIMBUN, support fell to 57 percent from 60 percent recorded in a December survey.

The paper got responses from 2,318 eligible voters out of a sample of 3,000 surveyed from February 27 to 28.

It said strong support for Hosokawa personally appeared to be putting a brake on the slide in his cabinet's popularity, with 66 percent of respondents expressing confidence in the prime minister's leadership abilities.

Both dailies noted that the Hosokawa cabinet remains significantly more popular than previous Liberal Democratic Party administrations.

But the YOMIURI said the plunge in support will come as a heavy blow to a government that has relied on strong popular approval ratings to compensate for its weak base in the Diet.

Immediate Cabinet Reshuffle Seen Unlikely

OW0203060894 Tokyo KYODO in English 0556 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—The chance of an immediate cabinet reshuffle planned by Prime Minister Morihiro Hosokawa is getting slim because of tight political schedules and opposition from some coalition parties, coalition sources said Wednesday [2 March].

Hosokawa said he will make up his mind Wednesday on whether to push for shaking up his nearly seven-month-old cabinet after hearing final responses from leaders of the seven coalition parties to his scheme, the sources said.

"I'd like to make a final decision (on the matter) during Wednesday after judging the situation as a whole," he said at a session of the House of Councillors' panel on political reform, which started deliberations on amendments to a package of political reform legislation.

Hosokawa is eyeing the cabinet reshuffle possibly Thursday after the upper house panel has approved the amendments, the sources said.

The primary purpose, it is widely believed, is to replace top government spokesman and chief of staff Masayoshi Takemura, who has been in discord with Hosokawa since late December over such important government political themes as the partial opening of the rice market and the abortive imposition of a "national welfare tax," the sources said.

Takemura, the chief cabinet secretary, told Hosokawa in a meeting Tuesday that a cabinet reshuffle could lead to the collapse of the coalition government, other coalition sources said.

Takemura maintains that he will not take another cabinet post if the premier reshapes his cabinet, they said.

Among the coalition partners, a pessimistic view has begun to prevail that Hosokawa may have to give up the plan because of a tight Diet business schedule and strong opposition from three coalition blocs.

Hosokawa and three cabinet ministers will make major policy speeches to both houses of the legislature after the cabinet submits to the Diet the 73.08 trillion yen state budget for fiscal 1994.

The full upper house is expected to endorse the amendments to the political reform package designed to help clean up Japan's politics Thursday or Friday. The more powerful House of Representatives approved them Tuesday.

Among the seven coalition parties, the Social Democratic Party (SDP), Sakigake (Harbinger), headed by Takemura, and the Democratic Socialist Party (DSP) are opposed to a hasty cabinet reshuffle, while Shinseito (Japan Renewal Party) and Komeito are endorsing the plan.

In a series of talks with Hosokawa on Tuesday, SDP chairman Tomiichi Murayama asked the premier to drop his intention for an early shake-up, pointing to the need for the cabinet to be united to tackle economic issues such as strained economic ties with the United States and the enactment of the fiscal 1994 budget.

Murayama, head of the largest coalition component, told Hosokawa that the party opposes the replacement of Takemura, warning that such action will damage the coalition foundation, the sources said.

DSP chairman Keigo Ouchi, who serves as health and welfare minister, also expressed objection to a hasty cabinet reshuffle.

Ouchi told reporters that the premier cited as a major reason for the plan growing complaints within the ruling coalition and from bureaucrats about Takemura's work as the top government spokesman and chief policy coordinator.

Shinseito leader and Foreign Minister Tsutomu Hata, meanwhile, told Hosokawa that the party will support the plan to reshape the cabinet.

Hata told reporters he has notified Hosokawa of his backing in a meeting at the premier's official residence.

"Behind the premier's plan is his desire to run the cabinet more smoothly. We support that kind of notion," said Hata, who is leading Shinseito along with Ichiro Ozawa.

Ozawa, who is regarded as the coalition's chief strategist, has expressed support for Hosokawa's plan to reshuffle the cabinet.

LDP's Kono Criticizes Turmoil Over Reshuffle

OW0203081594 Tokyo KYODO in English 0755 GMT 2 Mar 94

[Text] Tokyo, March 2 KYODO—The head of the main opposition Liberal Democratic Party (LDP) criticized the coalition government of Prime Minister Morihiro Hosokawa on Wednesday [2 March] for its disarray over Hosokawa's plan to reshape the cabinet, saying what is imperative now is the economic recovery.

Yohei Kono, president of the largest opposition party, told reporters that the government should commit itself to work on bringing the sluggish economy back on track and thus now is not the time to reshuffle the cabinet.

The LDP has insisted on immediately pushing ahead with economic stimulus measures since last year but the Hosokawa administration has no idea for shoring up the economy nor interest in doing so, Kono said.

Sadatoshi Ozato, chairman of the LDP's Diet Affairs Committee, also criticized the ruling coalition, telling reporters the government has lost its function due to a discord between Hosokawa, and his spokesman and Chief of Staff Masayoshi Takemura.

Ozato urged Hosokawa to bring an immediate end to the political turmoil, saying the Diet cannot set up the timetable for deliberations of the 73.08 trillion yen budget for fiscal 1994, which the cabinet will submit to the Diet on Friday.

Ruling coalition parties have remained divided over Hosokawa's scheme to make changes to his nearly seven-month-old cabinet, expected for Thursday.

The primary target of the reshuffle is apparently to Tamekura, the chief cabinet secretary, who has been reportedly at odds with Hosokawa since late December.

North Korea

ROK Reportedly Fires Guns Near DMZ 28 Feb

SK0203011894 Pyongyang Korean Central Broadcasting Network in Korean 2217 GMT 1 Mar 94

[Text] According to military sources, the South Korean puppets conducted provocative gun firing [tobalchogin chonggpo sagyok haengwirul kamhaeng] on 28 February near the DMZ in the frontline in front of us, agitating [chaguk] us.

The puppet army's large-caliber artillery group, moved and deployed in Yulli-ri and Waechon-ri, Chorwon-up, Chorwon County, Kangwon Province, South Korea, showered tens of shells on the area near the DMZ that day. The puppet army's armed rascals occupied battle positions in Sogong-ri, Paju County, Kyonggi Province and Korangpo-ri, Yonchon County and created a stir by firing at random as many as some 2,000 shells of large-caliber machine guns and automatic rifles, while advancing toward the Military Demarcation Line [MDL].

On the same day, the South Korean puppets openly and in broad daylight moved and deployed some 10 armored cars and many armed rascals near the DMZ in the north of Kajon-ri, Inje County, Kangwon Province, South Korea. They also mobilized hundreds of armed rascals to Chungse-ri, Chorwon-up, Chorwon County, Kangwon Province, South Korea, and were immersed in a war frenzy [chonjaeng kwanggirul puryossumnida].

Meanwhile, the puppet army's fighter-bombers flew in formations in the skies above Changsin-ri and Haesang-ri, Kosong County, Kangwon Province, South Korea and were frenzied in ground striking aimed at the northern half of the Republic. Armed helicopters and transportation helicopters moved out in formations in the skies above Yonchon, Paju, and Hwachon and were frenzied in ground-attack supporting and air-borne operations exercises, flying at low and very low altitudes.

This worthless fire game [mumohan pulchangnan sodong] shows even more clearly the South Korean puppets' bellicose nature [hojongjok chongche].

KCNA Reports on Incident

SK0203044494 Pyongyang KCNA in English 0427 GMT 2 Mar 94

["Gunfiring at Frontline"—KCNA headline]

[Text] Pyongyang, March 2 (KCNA)—The South Korean puppets on February 28 committed a provocative gunfiring in an area near the Demilitarized Zone (DMZ), the frontline area, getting on the nerves of the North, according to military sources.

They fired rifle bullets and shells into areas adjacent to the DMZ from Chorwon county, South Korean Kangwon Province and Paju and Yonchon counties, Kyonggi Province.

In another development, they staged ground strike, ground attack support and airlifting exercises against the northern half of Korea in the skies above Kosong County, South Korean Kangwon Province, and Yonchon, Paju and Hwachon of Kyonggi Province with the mobilisation of formations of fighter planes, helicopter gunships and transport helicopters.

Group Denunciation of ROK Rights Record Noted

SK0103062294 Pyongyang KCNA in English 0501 GMT 1 Mar 94

[Text] Pyongyang, March 1 (KCNA)—The Council of Lawyers for Democratic Society in South Korea recently held a forum on human rights and unanimously contended that nothing has been improved in the situation of human rights since the appearance of the Kim Yong-sam regime.

NODONG SINMUN today says this is only too natural a condemnation of the traitor Kim Yong-sam's "civilian" fascist rule.

Though the traitor has advertised "reforms" as if he would bring some "changes" to South Korea, and made brag of his administrative "achievements" after his assumption of office, the reality shows that the "civilian" regime is violating human rights more harshly than the preceding military dictatorial regimes, the analyst says, and goes on:

The traitor has refused to abolish the notorious "National Security Law," a legacy of the military dictatorship, and expanded and strengthened such repressive tools as the "security planning board" and the "secret affairs command."

After rising to power, the Kim Yong-sam group began brutally suppressing the righteous desire of the students and people for independence, democracy and reunification and mercilessly cracking down on the struggle of the workers and peasants for their vital rights, branding it as "collective egoism" and "illegal riot." It has also put down the struggle of workers for a wage hike by setting in-motion even the "emergency arbitration power," which the preceding military dictators had not dared to employ.

Noting that the South Korean people have keenly felt that with the Kim Yong-sam traitorous clique as sly as fox left in power, they cannot feel ease even a moment but will undergo greater misfortunes and sufferings, the analyst says they will bring him to justice without fail.

Anniversary of Nuclear Tests on Bikini Marked

SK0203055994 Pyongyang KCNA in English 0439 GMT 2 Mar 94

["Lesson of Bikini"—KCNA headline]

[Text] Pyongyang, March 2 (KCNA)—The test explosion of a newly-made U.S. H-bomb on the Bikini forty years ago on March 1 has left the lesson that nuclear holocaust must not be inflicted upon humanity again and a powerful struggle must be waged to get rid of the constant nuclear threat, says MINJU CHOSON in a by-lined article today dedicated to day of Bikini.

Pointing out that the imperialist reactionary forces are still threatening mankind with nuclear weapons going against the trend of the present times, the article says:

The United States continues the test and production of nuclear weapons and is bringing dark clouds of nuclear war, having deployed nuclear weapons and their means of delivery in many parts of the world.

Nuclear threat is coming from Japan, too. It is no secret that Japan, the only nuclear victim in the world, is now working with extra zeal to become a nuclear power. Japan which has stockpiled large quantities of plutonium can turn into a nuclear power any moment. The outcries of the Japanese ruling quarters over the DPRK's "nuclear issue" are intended to justify their moves to be a nuclear power.

It is a common task of the world people to build a peaceful new world free from nuclear weapons by smashing the nuclear war moves of the imperialist reactionary forces.

The world peaceloving people should build a peaceful world without nuclear weapons with a united struggle.

Russian Communist Party Supports Statement

SK0103222894 Pyongyang KCNA in English 1505 GMT 1 Mar 94

[Text] Pyongyang, March 1 (KCNA)—The political and public circles of the world express positive support to the statement of a spokesman of the DPRK Foreign Ministry on the nuclear issue on the Korean peninsula.

The Council of the Union of Communist Parties-the Communist Party of the Soviet Union adopted a statement at its plenary meeting held on February 12 and 13.

The statement expressed support and solidarity for the principled stand made clear by a spokesman of the DPRK Foreign Ministry in a statement and the sincere efforts of the DPRK Government for the solution of the nuclear issue of the Korean peninsula. The statement vehemently condemned the U.S. Administration and reactionaries for creating tensions in the Korean peninsula and the world.

Chairman of the National Liberation War Veterans Committee of Zimbabwe Charles Hongwe said in a statement on February 12 that the United States must take a sincere stance for a solution to the nuclear issue of the Korean peninsula through negotiation and immediately stop scheming to isolate and stifle the DPRK.

The Political Department of the Palestine Liberation Organisation in a statement on February 14 said that the nuclear issue on the Korean peninsula is not a matter to be solved by force. "If the United States is really willing to resolve the nuclear issue, it should show a right position toward dialogue first of all," it said.

Chairman of the Butwal Peace Action Committee Soorya Laleit in a statement demand that the United States immediately drop its provocative scheme to deploy Patriot missiles and withdraw its troops and nuclear weapons from South Korea without delay.

Members of the Russian Communist Workers' Party and the "Labouring Russia" Movement and Moscow citizens held a demonstration in front of the U.S. Embassy in Moscow on February 6. The protesters staged a sit-down against the U.S. interference and aggressive moves in Korea in front of the U.S. Embassy, holding slogan boards reading "United States, take hands off socialist Korea", "Glory to the heroic Korean people" and so on.

They handed over to the U.S. Embassy a "letter of protest against the U.S. moves of aggression against the DPRK" in the name of the Russian Communist Workers' Party and the "Labouring Russia" Movement.

Korean Educators, Scientists Meet in Japan

SK0203061194 Pyongyang KCNA in English 0459 GMT 2 Mar 94

[Text] Tokyo, February 28 (KNS-KCNA) [dateline as received]—A meeting of Korean educationists and scientists in Japan took place in Osaka on February 26 to express thanks to the great leader Generalissimo Kim Il-song and the dear leader Marshal Kim Chong-il for the 126th instalment of educational aid fund and stipends.

It was attended by O Hyong-chin, vice-chairman of the Central Standing Committee of the General Association of Korean residents in Japan (Chongnyon) and concurrently chairman of the Osaka prefectural headquarters of Chongnyon, and educational workers and scientists of Chongnyon.

In his report, Pak Kwang-taek, chairman of the Union of Korean Teachers in Japan, said the entire educational workers, bearing deep in mind the solicitude repeatedly shown by the great leader and the dear leader, should more successfully promote national education with the meaningful 50th anniversary of the August 15 national liberation, 40th anniversary of the formation of Chongnyon and 17th congress of Chongnyon one year ahead.

A letter to Generalissimo Kim Il-song was adopted at the meeting.

World Delegates Denounce Japanese War Crimes

SK0103110894 Pyongyang KCNA in English 1009 GMT 1 Mar 94

[Text] Pyongyang, March 1 (KCNA)—Delegates of different countries denounced the crimes of the Japanese imperialists at an international hearing on the sexual enslavement of women by the Japanese Army held in Switzerland on February 21 under the cosponsorship of the International Association of Democratic Lawyers, the World Council of Churches and the International Fellowship of Reconciliation.

The delegate of the measure committee for compensations to the "comfort women for the army" and victims of the Pacific war said that all documents and materials concerning the "comfort women for the army" were carried to Japan at the time of its defeat. "The attempt of the present Japanese Government to keep its past crimes in darkness, while concealing all the materials in its possession, is a mockery of human conscience and an insult to the victims," he said.

The delegate demanded that Japan open all the materials on the crimes to the public, punish the criminals by law and make sincere compensations to the human rights victims.

The delegate of the World Council of Churches said that sexual enslavement by the Japanese Army, an encroachment upon human conscience and morality, can never be overlooked.

He demanded that Japan sternly punish those responsible for the issue of "comfort women for the army" and make proper compensations to the victims. He called upon all the non-governmental organisations to join in the cause of defending human morality and conscience with a united action.

The delegate of the International Fellowship of Reconciliation demanded that the Japanese Government bear responsibility for the grave crimes against mankind and take practical measures for a fair solution of the problem.

Kim Won-ung, democratic member of the South Korean "National Assembly," charged that the South Korean authorities and the Japanese Government were taking an insincere and deceptive stand toward the settlement of the problem of "comfort women for the army".

He said the "comfort women" issue denotes a heinous and inhumane war crime and criticized the attempt of the Japanese Government to hush it up.

Document Gives Japan 'Green Light' for War

SK0203054394 Pyongyang KCNA in English 0456 GMT 2 Mar 94

["Green Light for War of Aggression"—KCNA headline]

[Text] Pyongyang, March 2 (KCNA)—NODONG SINMUN today brands the "Recommendation on International Security" (draft) providing for the overseas dispatch of the "Self-Defence Forces" (SDF) for military operations, worked out by Japan's influential think-tank, the strategic study centre, as designed to give the green light to the Japanese reactionaries in overseas aggression.

The news analyst says:

The "recommendation" reveals the true color of Japan as a bellicose state, not a "peaceful state." The document is very dangerous because it is highly probable that Japan will take the afore-said course guided by it in shaping state policies.

The document recommends that "to preserve the international order through its participation in the operations for international security" in the form of "U.N. forces" or "multinational forces" should be defined as one of the "main tasks" of the Japan "SDF"; military preparations should be made for dispatching a combat unit to any part of the world; the constitution banning war should be revised; and the domestic system should be readjusted so as to mobilize everything in war institutionally.

This reveals the wild ambition of the Japanese reactionaries to play the part of Interpol through military intervention in war and disputes, big and small, in the world and join in the scrambles for world supremacy.

Japan takes the DPRK as a major target of its attack in order to begin with the Korean peninsula in its Asian reinvasion.

The "recommendation" lays special emphasis on an armed conflict in the surroundings of Japan, which implies a war in Korea.

The Japanese bellicose elements' hysteric military exercises simulating a Korean war and their outcries for "special inspection" and "sanctions" against the DPRK are all intended to find a pretext for reinvasion.

The Japanese reactionaries must act with discretion, mindful that aggression and war will lead them to self-destruction.

Papers Observe Proclamation of Libyan Jamahiriya

SK0203105694 Pyongyang KCNA in English 1001 GMT 2 Mar 94

[Text] Pyongyang, March 2 (KCNA)—Papers here today observe the 17th anniversary of the proclamation of the great Socialist People's Libyan Arab Jamahiriya.

The Libyan people have made strenuous efforts to build a new society, firmly defending the gains of the September first revolution under the banner of anti-imperialist independence, MINJU CHOSON in a signed article says, and continues:

The Libyan people who set store by the national dignity and sovereignty of the country are accelerating economic construction, while increasing the country's defence capability to cope with the aggressive moves of imperialists.

Libya, pursuing the non-alignment policy externally, is striving for the unity and cohesion of the Arab nation.

The two peoples of Korea and Libya established and have favourably developed their friendly relations. Their mutual support and cooperation have been conducive to the building of a new society.

The Korean people believe that the friendly and cooperative relations between Korea and Libya will further expand and develop in the future, and hope the Libyan people new success in the efforts to build a prosperous new society.

NODONG SINMUN in a by-lined article says the Libyan people are making unremitting efforts to defend the sovereignty of the country and build a new society, smashing the manoeuvrings of imperialists against Libya.

Kim Chong-il's Birthday Said Celebrated Abroad

SK0203114894 Pyongyang KCNA in English 1010 GMT 2 Mar 94

[Text] Pyongyang, March 2 (KCNA)—The birthday of the dear leader Comrade Kim Chong-il was celebrated in different countries.

A celebration meeting was held at the building of the Nicaraguan Association of Democratic Lawyers.

Chairman of the Nicaragua-Korea Friendship and Solidarity Association Albaro Ramirez Gonsalez in his speech stressed that the Nicaraguan people were significantly celebrating the birthday of Comrade Kim Chong-il together with the Korean people.

He said: "Dear Comrade Kim Chong-il is an illustrious leader who is constantly exalting socialism with his outstanding idea and theory and his energetic leadership. The Korean people are holding him in high esteem and creditably building Korean-style socialism under his wise leadership."

Meanwhile, a seminar on the chuche idea was held at the independence study centre of Bangladesh and a seminar on Nepal-Korea friendly relations at the National Press Club of Nepal.

DPRK book, photo and handiwork exhibitions, film shows, photo illustrations, lectures and other functions were arranged in Islamabad, Pakistan, the House of the Nepal Academy of Sciences, a City House of Culture of Poland, Khodenka Exhibition-Gallery in northwest administrative district of Moscow, the Banat Museum in Timisoara of Romania, a company of Thailand, Abidja state of Nigeria, Helsinki, the National Youth Union of Algeria, the Cultural Palace of Workers in Yanji, Jilin Province, China, and the group for the study of the chuche idea of the Pugura Club of the Malta Labour Party.

A performance of "Art Evening of February" was given in Tokyo and a "national table tennis competition for February 16 cup" was sponsored by the Mongolia-Korea Friendship Association and the Mongolian Table Tennis Federation at the gymnasium of the sports college of Mongolia.

Works of Kim Chong-il Reportedly Studied Abroad

SK0203110194 Pyongyang KCNA in English 1015 GMT 2 Mar 94

[Text] Pyongyang, March 2 (KCNA)—Famous works of the dear leader Comrade Kim Chong-il have been disseminated and studied in different countries.

A seminar on his work "Abuses of Socialism are Intolerable" was held by the British group for the study of the revolutionary activities and works of Comrade Kim Il-song.

Chief of the group Dermot Hudson in his report stressed:

This work of Comrade Kim Chong-il is a militant banner for frustrating the anti-socialist strategy of the imperialists and defending and advancing the cause of socialism. He in his work lays bare the falsehood and reactionary nature of the anti-socialist vile propaganda made by the imperialists and reactionaries.

Comrade Kim Chong-il has developed and enriched the idea and theory on socialism and brought the essential superiority of socialism to capitalism into full play in Korea, so that mankind may confidently advance along the road of socialism with a beacon of hope.

Under his wise leadership the cause of socialism will make a long drive.

Seminars on the same work were held by the group for the study of the chuche idea of the Marien Ngouabi University of the Congo, chuche idea study groups of Guyana and Calcutta University of India.

Seminars on his work "Our Socialism Centred on the Masses Shall Not Perish" were held by the committee for the study of Kimilsongism of youth in Karachi, Pakistan, the Murewa, Zimbabwe, group for the study of the chuche idea and the group for the study of the chuche idea of the Administration and Development College in Mjumbe, Morogoro, Tanzania and a seminar on his work "The Historical Lesson in Building Socialism and the General Line of our Party" by the Uttar Pradesh State, India, committee for the study of the chuche idea.

More Countries Report on Works

SK0103110794 Pyongyang KCNA in English 1003 GMT 1 Mar 94

[Text] Pyongyang, March 1 (KCNA)—Famous works of the dear leader Comrade Kim Chong-il were reported in different countries.

Comrade Kim Chong-il's work "Abuses of Socialism are Intolerable" was carried by the Romanian papers VREMEA, NATIUNEA and DIMINEATA, the Angolan paper JOURNAL DE ANGOLA and the Guinean paper HOROYA.

The work was published in pamphlet by the Warsaw Lomianki printing shop of Poland and the Afzal publishing house of Pakistan, and the Nigerian paper INDEPENDENT carried an article explaining the work.

The Nigerian papers OBSERVER and NEW NIGERIAN carried the gist of his work "On the Fundamentals of Revolutionary Party Building" and an article explaining it.

A detailed summary of his work "The Historical Lesson in Building Socialism and the General Line of our Party" was carried by the Jordanian paper AL CHAAB and the first part of his work "Our Socialism Centred on the Masses Shall Not Perish" by the Egyptian paper AL SIYASSI.

Poems Praising Kim Chong-il Reported

SK0103223594 Pyongyang KCNA in English 1515 GMT 1 Mar 94

[Text] Pyongyang, march 1 (KCNA)—Many poems praising the dear leader Comrade Kim Chong-il have been created in the Democratic People's Republic of Korea.

From February last year to the end of January this year, the literary and art press group and the Kumsong Youth Publishing House carried more than 200 of poems written by poets and working people of different strata in various publications.

In this period, poets of the Korean writing group created "Son of the People", "Pride of Korea", "One Big Family" and many other poems of high ideological and artistic value.

A lyric "Son of Paektu" tell about the Korean people's great pride and honor of having the iron-willed brilliant commander Comrade Kim Chong-il, a peerless great man and great son of the country produced by Mt. Paektu.

Poets of the group recently held a poem recitation meeting in front of the old home at the Mt. Paektu secret camp with "With the Old Home at Mt. Paektu Secret Camp", "May the Chong-il Peak Shine Through Generations", "Strides of Great Man" and other poems they had recently written on the occasion of the birthday of Comrade Kim Chong-il.

Poems praising the peerless great man have been widely created by working people, youth and students and People's Army soldiers.

In December last year, Yi In-mo, the incarnation of faith and will, composed poems "Bout my Destiny", "Thinking About Love" and "Laudatory Song of Faith and Will" and presented them to the dear leader.

In the poems, Yi In-mo tells about his strong ideological feeling that Korea's cause of socialism, the revolutionary cause of chuche, is invincible as long as there is the wise guidance of dear Comrade Kim Chong-il.

Rim Chang-su in Jongpmhong County, South Hamgyong Province, and Kim Chae-song in Unjon County, North Phyongan Province, wrote lyrics "The Sun of the Nation, The Heaven of Mankind" and "Let us Sing of Our Mother Party" which tell about the unanimous resolution and will of the Korean people to hold in high esteem as the great sun Comrade Kim Chong-il who looks after and protects the destiny, future and hope of the Korean nation and to remain loyal and filial to him.

Poems created among People's Army soldiers sing of their great pride and honor of having their supreme commander in the person of Comrade Kim Chong-il who is possessed of rare intelligence and outstanding strategy, ever-victorious commandership iron will and

matchless grit and warm love of soldiers, and reflect their unshakable faith and will to resolutely safeguard him with arms.

Several hundred pieces of poem including "He is Our Supreme Commander", "Highest Glory to the Revolutionary Armed Forces of Chuche" and "We Serve Comrade Supreme Commander!" have been created among People's Army soldiers in the last two years alone.

Reportage on National Agricultural Meeting

Kim Il-song Poses for Picture

SK0203062994 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 1 Mar 94

[Excerpts] The great leader Comrade Kim Il-song has posed for a picture with participants in the national agricultural meeting. [passage omitted]

Comrade O Chin-u, member of the Political Bureau Presidium of the Workers Party of Korea [WPK] Central Committee and minister of People's Armed Forces; Comrade Kang Song-san, member of the WPK Central Committee Political Bureau and premier of the Administration Council; Comrades Yi Chong-ok, Pak Song-chol and Kim Yong-chu, members of the WPK Central Committee Political Bureau and vice presidents; Comrades Kye Ung-tae and Han Song-yong, members of the Political Bureau and secretaries of the WPK Central Committee; Comrade So Yun-sok, member of the WPK Central Committee Political Bureau, responsible secretary of the South Pyongan Provincial party Committee and chairman of the People's Committee in South Pyongan Province; Comrade Choe Tae-pok, candidate member of the WPK Central Committee Political Bureau and secretary of the party Central Committee; Comrades Choe Yong-nim and Hong Song-nam, candidate members of the WPK Central Committee Political Bureau and vice premiers of the Administration council; Comrade Yang Hyong-sop, candidate member of the WPK Central Committee Political Bureau and chairman of the Supreme People's Assembly; Comrade Hong Sok-Hyong, candidate member of the WPK Central Committee Political Bureau and chairman of the State Planning Commission; Comrade Yon Hyong-muk, candidate member of the WPK Central Committee Political Bureau, responsible secretary of Chagang provincial party committee and chairman of the People's Committee in Chagang Province; Comrades Kim Chung-nin, So Kwan-hui and Kim Ki-nam, secretaries of the WPK Central Committee; Comrades Kim Pok-sin, Kim Chang-chu, Kim Yun- hyok, Kim Hwan and Chang Chol, vice premiers of the Administration Council; Comrade Chon Mun-sop, chairman of the State Inspection Committee in the Central People's Committee [CPC]; Comrade Yun Ki- pok, chairman of the Economic Policy Commission in the CPC; Comrade Pak Nam-ki, chairman of Pyongyang Municipal Administration and Economic Committee; and Yu Mi-yong, chairman of the Chondoist Chongu party Central Committee, were present. [passage omitted]

WPK CC Congratulates Meeting

SK0103134694 Pyongyang Korean Central Broadcasting Network in Korean 0611 GMT 25 Feb 94

[Congratulatory message from the Central Committee of the Workers' Party of Korea to the National Agriculture Meeting at Pyongyang Gymnasium on 25 February, read by Vice President Yi Chong-ok—recorded]

[Text] The National Agricultural Conference has opened at a time when all the party members and working people are vigorously accelerating the general march of socialism with the revolutionary spirit of self-reliance and fortitude through single-hearted unity around the party and the leader amid the great expectation and interest of the people and agricultural working people across the country.

The meeting, which is being held in the significant year marking the 30th anniversary of the publication of the socialist rural theses, is a historic meeting that proudly sums up the great victory in brilliantly implementing the tasks presented by rural theses and demonstrates the correctness of the theses and the vitality of our country's socialist rural economic system. It is also a glorious meeting that demonstrates the heroic spirit of our people and agricultural working people, who are vigorously advancing with the revolutionary banner of chuche, and the invincibility of socialism of our own style. [applause]

The Central Committee [CC] of the Workers' Party of Korea [WPK] extends ardent congratulations to all working people and members of three-revolutions teams movement of the agricultural sector, and all participants who are present at the meeting with the pride of accomplishing great feats in the struggle to implement the socialist rural theses with ardent loyalty to the party and the leader. [applause]

To properly solve socialist rural problems is an important issue concerning the destiny of the socialist cause. The great leader Comrade Kim Il-song has for the first time in history set forth all theoretical and practical problems arising from solving the socialist rural problems and vigorously inspired the entire party, the entire country, and all the people to the implementation of the rural theses by presenting the theses on our country's socialist rural problems. He wisely led the struggle to accelerate socialist rural construction and develop agricultural production by personally creating the chuche-based farming method and continuing on-the-spot guidance.

With a firm chuche-based position, our party set forth new theory and policy to better solve rural problems in conformity with the demand of the reality to deepen and develop socialist construction; had the entire country

seethe with the struggle to implement the theses; vigorously carried out three revolutions—ideological, technological, and cultural—in rural areas; and energetically led agricultural workers to achieve ceaseless innovations in rural works by demonstrating the spirit as masters.

Because the chuche-oriented socialist rural theses were implemented in practice under the wise leadership of the party and the leader [suryong], a brilliant example has been created in solving the rural problems, and a change of the century has been brought about in the rural areas in our country. [applause]

An ideological revolution has been vigorously carried out in the rural areas, and, as a result, a great change has taken place in the agricultural workers' ideological and spiritual state and the way they work and live. Our agricultural workers have considered loyalty to the party and the leader [suryong] to be the most valuable thing and are preparing themselves as chuche-type revolutionary warriors who breathe and wage struggles by following the party's intentions. Highly aware that they are masters in the rural areas, they have been sincerely working for their fatherland, people, society, and group under the slogan "One for all, all for one."

The party's plan to carry out a technological revolution in the rural areas has been carried out successfully, and, as a result, the task to build irrigation systems in the rural areas has been completed on a high level and the task to use electric equipment in farming has been realized brilliantly. Great progress has been made in mechanizing farm work and using chemical fertilizers in farming, and, as a result, our peasants who had to transplant rice seedlings and weed rice paddies by hand and do toilsome work are now doing farm work easily and efficiently.

Because the chuche-oriented farming method was implemented, agricultural production has rapidly developed based on modern science and technology. Because a cultural revolution was carried out in the rural areas, agricultural workers' level of general knowledge and their technological and cultural levels have improved significantly, the ranks of agricultural technicians and experts have increased, a great change has taken place in conditions for cultural lives in the rural areas, and the rural areas in our country have turned into civilized and abundant socialist cultural rural areas.

Based on the new agricultural guidance system, guidance and management on the rural economy has been improved and strengthened endlessly; the leading role of all-people ownership in relation to cooperative ownership has been enhanced; and, as a result, major progress has been made in overcoming the differences between the urban and rural areas in terms of types of management and ownership.

Counties across the country have been built strongly and are excellently carrying out their mission and role in carrying out the three revolutions. They are also excellently carrying out their mission and role as bases that link cities to rural areas.

The socialist rural theses gave our people and agricultural workers the great honor and pride of having pioneered the only correct road in solving rural problems and gave firm belief in the victory of socialism to progressive mankind and vigorously inspired them to the struggle.

In the past 30 years, our agricultural working people have contributed greatly to the prosperity and development of the country and to providing better happiness to the people by blossoming new socialist living on the fatherland with a firm belief in socialism and through devoted struggle and creative labor.

The victory of socialism of our own style is being reliably guaranteed because we have the most advanced socialist rural economic system and large contingents of heroic agricultural working people, which are being strengthened and developed every day, upholding the leadership of the great leader and the great party with the strong support of chuche-based industries. [applause]

The WPK Central Committee highly appraises our agricultural working people for achieving great labor feats in the struggle to complete the tasks presented by the socialist rural theses upholding the leadership of the party and the leader. [applause]

To further vigorously carry out the socialist rural construction is an important requirement for highly displaying the superiority of our country's popular masses-centered socialism and successfully completing the chuche-oriented socialist cause. All the party members and working people of the agricultural sector should wage a more vigorous struggle to effect a new upsurge in rural construction and agricultural production upholding the historic letter "For the Ultimate Solution to Rural Problems Under the Banner of Socialist Rural Theses" sent to this meeting by the great leader Comrade Kim Il-song.

The great leader Comrade Kim Il-song has taught: The three revolutions—ideological, technological, and cultural—is the basic content of revolution to be practiced by the party of the working class after the socialist system is established, and to be continued until the construction of communism.

The basic key to win a greater victory in the socialist rural construction is to thoroughly carry out the three revolutions—ideological, technological, and cultural—in rural communities in conformity with the demands of a new higher stage. [applause]

By deepening the ideological revolution, first of all, party members and working people should arm themselves with a great chuche idea and party's chuche-oriented rural construction idea to vigorously carry out the work of revolutionizing farmers.

By strengthening the indoctrination of the chuche idea, agricultural working people should think and act as

demanded by our party's chuche idea and chuche-oriented idea for rural construction. They should also deeply grasp and further glorify the proud history in which the world has began under such a chuche ray.

Agricultural working people should become deeply aware of the greatness of the party and the leader [suryong] by continuously and vigorously carrying out the indoctrination of loyalty. As a result, they should possess the spirit—the spirit of endlessly following the party and the leader while sharing their fate of life or death with the party in any difficult situations—as their first revolutionary trust and hold as their firm faith the truth that our socialism, which is leading the great party, will surely win victory by smashing any challenges and obstructive maneuvers.

Along with this, they, by further deepening the class indoctrination, should not forget the class stand but instead strongly keep it all the time as they enjoy their happy life with each passing day. Also, for a society and collective, they should work and cooperate with each other, overflowing with a revolutionary zeal.

By vigorously carrying out the technological revolution at a higher level, agricultural working people should further strengthen the material and technological foundation of the rural economy and effect a constant upsurge in the agricultural production. Also, they should promisingly solve the increasing water problems by further increasing irrigation facilities and by consolidating the operation of the already established irrigation system and make the grand circle-style irrigation system—which was established in our country—effect a greater upsurge in agricultural production. At the same time, they should actively accelerate field irrigation construction.

Along with this, they should properly prepare power production bases, stabilize production, accelerate ongoing power plant constructions, and build many small-, and medium-sized power plants everywhere throughout the country by conducting mass-oriented campaigns. As a result, they should more satisfactorily meet the increasing demands of electricity from rural communities.

Today, rural technological revolution is faced with the major task of further enhancing the industrialization and modernization of agriculture. In order to outstandingly carry out the general mechanization and scientification of the rural economy, we should produce more farming machineries of various kinds, such as tractors, and more chemical fertilizers, highly effective agriculture chemicals, and herbicides and send them to rural areas.

We should further develop our socialist rural areas to become ideal villages to work and live in by actively expanding the rank of technicians of the agricultural sector through a more vigorous cultural revolution, upgrading the technological and cultural standard of agricultural working people, who are directly in charge of agricultural production, and by establishing production culture and living culture.

The entire party, entire country, and all the people should further vigorously push ahead with the struggle to complete the historic task to turn farmers into working class, and industrialize agriculture, while filled with pride and confidence in achieving a great victory in solving the rural problems. [applause]

The industry-first policy is the most correct policy that enriches our people's dietary life and embodies our party's idea of strengthening and developing socialism of our own. [applause]

Functionaries and working people of the agricultural sector, who have walked along the rewarding road of socialist rural construction while courageously overcoming severe trials and difficulties following the leadership of the party and the leader, should uphold the party's revolutionary economic policy and display the sense of revolution and combat capabilities in the struggle to implement the agriculture-first policy.

All the agricultural working people should deeply bear the responsibility of the master who makes sure the nation's rice granary is full and effect a great upsurge in agricultural production by methodically and tenaciously carrying out all farming works in accordance with the demands of chuche-based farming method.

Guiding functionaries in the rural economy sector should highly demonstrate the superiority and vitality of chuche-based agricultural guidance system by embodying the demands of the great spirit of Chongsan-ri, the methods of Chongsan-ri, and should be deeply involved with farmers, share joys and sorrow with them, solve their problems with responsibilities, and lead them to implement the party's agricultural plan by setting examples and showing practices.

With the principle that industries help agriculture and urbanize rural areas, all masses should efficiently support rural areas so that the party's agriculture-first policy is thoroughly implemented. Rural party works should be more vigorously carried out in conformity with the developing reality.

Party organizations should carry out work with human beings and political work, firmly bond the agricultural working people around the party, further strengthen our party's rural bases, enhance our role in socialist rural construction by all means, and firmly guarantee our party's leadership in rural construction.

Based on the accomplishments already achieved in socialist rural construction, party organizations and functionaries should diminish the differences between industrial and agricultural economic management standards, and correctly carry out the work to gradually transform cooperative ownership to all-people ownership in rural areas.

It is a proud revolutionary trait of our people and agricultural working people to courageously overcome difficulties and trials they are faced with and continue to innovate, to advance toward new victories following the leadership of the party and the great leader under the banner of self-reliance and fortitude.

The WPK Central Committee firmly believes that all our agricultural working people would excellently repay the party's trust and expectation by resolutely continuing the struggle to firmly defend and further elucidate socialism of our style under the banner of the chuche idea while firmly uniting around the party and the leader. [applause]

Kang Song-san Attends Ceremony

SK0203055694 Pyongyang KCNA in English 0434 GMT 2 Mar 94

[Text] Pyongyang, March 2 (KCNA)—Official commendations and gifts were awarded to participants in the National Agricultural Conference with a due ceremony here on March 1.

Present at the ceremony were Premier Kang Song-san and Vice- President Yi Chong-ok who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea, and other party and state cadres.

Honorary titles were awarded to the units which had made palpable successes in the socialist rural construction and grain and other agricultural production through their vigorous efforts to implement the "Theses on the Socialist Rural Question in Our Country", and letters of commendation of the great leader President Kim Il-song to 27 participants in the conference, the commemoration order of the 30th anniversary of publication of the rural theses to 9,993 and order of national flag second class to 139.

And commendations of the great leader President Kim Il-song were awarded to 340 people and gifts to the entire participants.

Implementation of Program Urged

SK0103072694 Pyongyang KCNA in English 0525 GMT 1 Mar 94

[Text] Pyongyang, March 1 (KCNA)—"For the ultimate solution of the rural question under the banner of the socialist rural theses," the letter sent by the great leader Comrade Kim Il-song to the national agricultural conference, is a programme of socialist rural construction in our times and a militant banner which makes it possible to develop in depth our agriculture to a higher level, says NODONG SINMUN in an editorial Tuesday.

The editorial says the historic letter of the great leader Comrade Kim Il-song consummates the theoretical and practical matters for finally solving the rural question, the most difficult question in socialist construction, by dynamically accelerating rural construction along the road indicated by the rural theses.

The editorial quotes the respected leader Comrade Kim Il-song as saying:

"If we consolidate the position we have already taken up and launch a new battle by making more strenuous efforts, we will win a historic victory in the solution of the rural question, the most difficult question in the building of socialism."

The work, it notes, is a militant banner that instills into the minds of our agricultural working people and other people the conviction of the might of the chuche-based system of the socialist rural economy and the invincibility of the Korean-style socialism and that powerfully encourages them in the work for consolidating and developing them; it is a highly important guideline in effecting a new revolutionary turn in our rural economy and in all sectors of agricultural production.

The work is a famous work that has further developed and enriched the revolutionary theory of the working class on socialist and communist construction with new and unique contents, the editorial points out, and goes on:

It is of weighty significance in the development of the revolutionary theory of rural construction that the great leader in this work gave a comprehensive exposition of the principle, ways and time of the conversion of cooperative property to all-people property. The theories of creating conditions for the switchover of cooperative property to all-people property, conducting it with the county as a unit, and correctly defining the forms and ways of the switchover and other theories propounded in the work light the path of finally solving the rural question without the slightest deviation.

The great leader's work is a powerful weapon in refuting the sophism of the imperialists that socialism cannot find a solution to the rural question and smashing all descriptions of opportunist tendencies of removing the revolutionary principle of the working class in rural construction.

The editorial calls upon all the party members and other working people to make a deep-going study of the profound idea and theories laid down in the work, fully grasp them and develop in depth the three revolutions, ideological, technical and cultural, in compliance with the requirements of socialist rural construction on a new, higher stage.

Kim Il-song Arranges Rural Theses Banquet

SK0103112094 Pyongyang KCNA in English 1041 GMT 1 Mar 94

[Text] Pyongyang, March 1 (KCNA)—The great leader President Kim Il-song arranged a grand banquet at the

Kumsusan Assembly Hall today in celebration of the victory of "theses on the socialist rural question in our country".

When President Kim Il-song appeared in the banquet hall amid the playing of the welcome music, the entire participants enthusiastically welcomed him with a stormy applause.

Kang Song-san, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and premier of the Administration Council, made a speech at the banquet.

Present there were O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces; Yi Chong-ok, Pak Song- chol and Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice-presidents; and other party and state cadres, management officials of co-op farms and state farms, secretaries of the party committees, leading officials of state agricultural enterprises and factories and enterprises serving agriculture, agricultural scientists and model workteam heads, sub- workteam heads and farmers of cooperative farms.

Mining Industry Reportedly Exceeds Feb Goals

SK0203055394 Pyongyang KCNA in English 0431 GMT 2 Mar 94

[Text] Pyongyang, March 2 (KCNA)—Industrial establishments of Korea overfulfilled their February plans and are expanding the achievements.

The Anju District coal mining complex topped its February target on all indices by introducing a new coal cutting method. It continues boosting production in March.

The Chilli coal mine doubled production in February compared with the same month of last year by introducing a new blasting method.

The Tokchon District coal mining complex carried out its February assignments for capital tunnelling at 100.5 nercent, preparatory tunnelling at 101.3 percent, slope pit tunnelling at 101.3 percent, pit concreting at 112.8 percent and coal output at 101.8 percent as of February 27.

The Changjagang Power Station fulfilled its February plan three days ahead of schedule and the Chagang provincial combined general bureau of forestry produced over 10,000 more cubic metres of timber in February as against the same period of last year.

The Songsan mine surpassed its February goal by 48 percent in terms of output value and by 27 percent in kind. It is carrying out its daily quotas at 130 to 150 percent in march. The mine fulfilled its January plan in a matter of 14 days.

February plans were also overfulfilled by the Myongchon District coal mining complex, the General Bureau of Harbour Works, the Pyongyang Municipal General Bureau of Garment Industry and many other units, which are keeping a high rate of production in March.

South Korea

Reaction to Hubbard Remark on Security Law

Washington Embassy at 'Loss'

SK0203024694 Seoul YONHAP in English 0218 GMT 2 Mar 94

[Text] Washington, March 1 (YONHAP)—A senior U.S. State Department official has publicly expressed his desire to see South Korea repeal its controversial National Security Law. Thomas Hubbard, deputy assistant secretary of State for East Asian and Pacific Affairs, made the remark at a seminar on U.S.-South Korean relations in the Pacific era, sponsored by American University on Feb. 25. In a keynote speech, Hubbard praised South Korea for making "heartwarming success in establishing democracy and marked improvement on the human rights front."

"Despite (these) successes—or perhaps because of them—the United States still wishes the Republic of Korea would repeal the National Security Law," Hubbard said. Hubbard acknowledged that friction exists between the United States and South Korea stemming from extensive interaction between nations. But such friction really results from the "problems of success," he said. In any event, it was the first time that any senior U.S. Government official has publicly expressed a desire to see South Korea's National Security Law repealed.

The remark is attracting even more interest since it was made by the American representative to a recent series of Washington-Pyongyang working-level contacts held in New York to resolve the North Korean nuclear issue. Contacted for clarification on Tuesday, a State Department official confirmed that Hubbard's remark reflects "the official position of the U.S. Government." The official also confirmed that the U.S. Government has been urging the Seoul government to undertake "additional measures" to solidify "democratization" in South Korea. The official, however, took pains to stress that Hubbard's comment has nothing to do with the ongoing discussions between the United States and North Korea on the nuclear and other issues.

Officials at the South Korean Embassy in Washington admitted that the U.S. Government has urged Seoul to improve human rights. But they were at a loss to explain why Hubbard made such remarks when the North Korean nuclear issue has entered a critical stage.

Many South Korean leaders including President Kim Yong-sam believe it is premature to repeal the National Security Law, which was enacted to deter espionage and

other hostile activities by communists in North Korea aimed at overthrowing the Seoul government.

Foreign Ministry Official Reacts

SK0203030594 Seoul YONHAP in English 0221 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—The South Korean Foreign Ministry denied Wednesday that the United States has formally raised the issue of Seoul abolishing its National Security Law, but was looking into the exact nature of comments made by a U.S. official last week.

"The issue was never officially raised," said one ministry official, reacting to remarks attributed to Tom Hubbard, U.S. deputy assistant secretary of State, who said Washington wants to see democracy take firm root in South Korea and the National Security Law repealed. The remarks drew a sensitive reaction because Hubbard is the top U.S. working-level representative at nuclear talks with North Korea. South Korea's National Security Law prohibits any unauthorized contact with North Korea.

"We don't believe that Hubbard's statement reflects the formal U.S. position, but we are looking into what the exact quotes were," said the ministry official.

Party Spokesmen Comment

SK0203041694 Seoul KBS-1 Radio Network in Korean GMT 0300 2 Mar 94

[Excerpts] Concerning the recent public remarks made by U.S. Deputy Assistant Secretary Hubbard, the U.S. side's delegate to U.S.-North Korea New York working-level contact, on the abolition of the National Security Law in our country, a Foreign Ministry official said this issue was never officially raised between the ROK and U.S. Governments. [passage omitted]

Meanwhile, Ha Sun-pong, a spokesman of the ruling Democratic Liberal Party, today made a statement pertaining to the remarks of U.S. Deputy Assistant Secretary Hubbard, who suggested the abolition of the National Security Law. In the statement, he said that logically his remarks are not appropriate, and if the report on his remarks is true, it is regretful. Spokesman Ha Sun-pong noted that he will further inquire into the truth of the remarks.

Pak Chi-won, spokesman of the opposition Democratic Party, in a commentary pertaining to Deputy Assistant Secretary Hubbard's remarks, said he agrees with the remarks in principle. He maintained that Hubbard's remarks should be considered from the standpoint of the promotion of human rights and not of interference in our domestic affairs.

Spokesman Pak Chi-won said that he understood that Deputy Assistant Secretary Hubbard also conveyed his position to our government, and urged the government to expedite reviewing whether the Security Law should be revised or abolished.

Ministry To Contact U.S.

SK0203085094 Seoul YONHAP in English 0828 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—The Foreign Ministry is ready to contact U.S. Deputy Assistant Secretary of State Tom Hubbard about his recent remark that the United States wants to see South Korea repeal its National Security Law, officials said Wednesday.

Foreign Minister Han Sung-chu told a National Assembly Committee that he would look into the matter, adding that the Ministry's director-general of the American Affairs Bureau was planning to call Hubbard, officials said.

During a seminar held Feb. 25 at American University, Hubbard said South Korea and the United States differ on "how to respond on some regional and global issues."

"And despite heartwarming success in establishing democracy and marked improvement on the human rights front—or perhaps because of them—the United States still wishes the Republic of Korea would repeal the National Security Law," Hubbard said.

The remarks were deemed sensitive because Hubbard is the top U.S. representative at working-level talks with North Korea.

Ministry officials were busy denying speculation that the remarks were somehow related to discussions between North Korea and the United States at their recent nuclear negotiations.

The U.S. report on global human rights issued last Feb. 1 also cites South Korea's National Security Law, basically anti-communist in nature, for undermining personal freedoms.

Ministry officials claim that the U.S. State Department must address the issue "off and on" to placate American human rights lobbyists, who reportedly receive "quite a few" petitions about the South Korean security law.

"The matter has never been raised bilaterally by a diplomatic agency," one ranking official said.

Foreign Minister Comments

SK0203090994 Seoul KBS-1 Radio Network in Korean 0810 GMT 2 Mar 94

[Text] Foreign Minister Han Sung-chu, speaking at a Foreign Affairs-Unification Committee meeting today, said that the remark by Thomas Hubbard, U.S. deputy assistant secretary of State for East Asian Affairs, urging the ROK to abolish the National Security Law does not represent an authoritative view of the U.S. Government, but was merely a presentation of his personal opinion.

Minister Han Sung-chu said that the government is planning to make an official inquiry to the U.S. State

Department through diplomatic channels about the background and intent of Deputy Assistant Secretary Hubbard's remark.

Minister Han said that although the U.S. side referred to the National Security Law in connection with the human rights issue in the ROK before the civilian government was launched, no such reference has been made since the start of the civilian government. Moreover, the U.S. State Department's human rights report notes drastic improvement in the ROK's human rights situation.

Seoul To Announce Suspension of 'Team Spirit'

SK0203010094 Seoul YONHAP in English 0038 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—The government plans to suspend this year's "Team Spirit," the annual South Korean-U.S. joint military exercise, as soon as the two Koreas meet on exchanging special envoys at 10 AM Thursday (KST), officials said. The inter-Korean contact is one of two preconditions for the announcement on Team Spirit's suspension. The second is the arrival in Pyongyang of International Atomic Energy Agency (IAEA) inspectors.

Last Saturday, Pyongyang agreed with Washington to allow unrestricted IAEA access to its seven declared facilities and to accept Seoul's proposal to hold working-level talks on an exchange of presidential envoys. In return, Washington was to suspend this year's Team Spirit and conduct high-level talks with North Korea later this month.

The South Korean Government was to announce the suspension of the military exercise Tuesday afternoon on condition that North Korea cooperated with the IAEA's nuclear inspections and agreed to hold the working-level contact on envoy exchanges Tuesday. But since North Korea postponed the contact until Thursday, Seoul also delayed announcement of the military maneuvers' suspension.

Ministry Denies U.S. Previewed GATT Schedule

SK0203065194 Seoul YONHAP in English 0625 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—The Foreign Ministry denied press reports Wednesday that South Korea handed over its Uruguay Round country schedule to the United States before even submitting it to the General Agreement on Tariffs and Trade (GATT).

"We are not obligated to show the country schedule to the U.S. side, and we have not done so," a ministry official said. The vernacular daily KUNGMIN ILBO quoted Economic Planning Board and Agriculture Ministry officials as saying that the country schedule was given to the United States even before it was revealed domestically. Seoul had waited to reveal the schedule to GATT headquarters until after the major trade negotiators—the United States, Japan, Canada and the European Union—handed in their plans.

Officials here were analyzing the U.S. country schedule and initially agreed that revision of the original draft was unnecessary. They said Seoul may present its schedule as early as Thursday.

Seoul Revising Uruguay Round Tariff Schedule

SK0203123594 Seoul YONHAP in English 1210 GMT 2 Mar 94

[Text] Seoul, Mar 2 (YONHAP)—South Korea has begun to revise the market opening schedule under the Uruguay Round agreement after learning that the United States has substantially changed its schedule.

"We have found out that the United States has made a substantial change in their schedule," an official at the Economic Planning Board said on Wednesday.

For instance, he said, Washington now decided to lower semiconductor tariff by only 0.7 percentage points from the existing 3.7 percent to 3 percent whereas it earlier said they would completely lift tariff on semiconductor.

About 110 items in the categories of electronics and non-ferrous metal would be re-examined by the Korean Government for possible change before its final schedule would be forwarded to the GATT (General Agreement on Tariffs and Trade) Secretariat early next week, the official said.

During its recent trade talks with Japan, the United States declared they would withdraw the planned removal of tariffs in the areas of electronics, non-ferrous metal, lumber and distilled liquor.

The declaration came after Japan said they would lower tariff on lumber by 5 percentage points from the present 8 percent to 3 percent instead of lifting tariff on lumber altogether.

"Now that the United States has revised its market opening schedule, we intend to make a corresponding change," the official said.

He added that so far 38 countries including the United States, Japan and the European Union (EC) have submitted their final schedules to the GATT.

DPRK Plans Four New Special Economic Zones

SK0203083294 Seoul MUNHWA ILBO in Korean 1 Mar 94 p 1

[Report by Yi Pyong-hwan from Tokyo]

[Text] In addition to the Tumen River and Najin-Sonbong economic zones, North Korea has worked out a plan to set up four special economic zones—Chongjin, Nampo, Sinuiju, and Wonsan—and a free tourist spot at Mt. Kumgang. North Korea is currently reviewing the

project in detail to attract foreign capital, according to a well-informed source in Tokyo.

The source said: "North Korea has already started consultations with the U.S. State Department on receiving capital, technology, and experience necessary for the introduction of the market economic system into the economic zones by joining the Asian Development Bank and the International Monetary Fund."

The source also disclosed that North Korea's former Vice Premier Kim Tal-hyon (currently a manager of the Sunchon Vinalon plant), who was previously removed from North Korea's power circle, is in charge of the project and is secretly serving as a dialogue channel with the United States.

IAEA Nuclear Inspection Sites in DPRK Noted

SK0203033594 Seoul TONG-A ILBO in Korean 2 Mar 94 p 3

[Article by reporter Kim Cha-su: "Inspection of Nuclear Facilities in North Korea and Types of Inspections"]

[Excerpt] The ordinary [tongsang] inspection of nuclear facilities in North Korea by the International Atomic Energy Agency [IAEA] will begin on a full scale on 2 March. A seven-member inspection team arrived in Pyongyang on 1 March afternoon.

The targets of its inspection are 16 nuclear facilities, including an experimental atomic reactor and critical facilities [imgye sisol], a nuclear fuel rod manufacturing plant and storage facilities, a uranium mine and uranium smelting plant, and two atomic power stations.

However, North Korea refused an ad hoc ordinary [imsi tongsang] inspection by putting forward its specific position in which its withdrawal from the nuclear Non-Proliferation Treaty [NPT] is being withheld. As a result, the IAEA team's inspection will be conducted in such a manner as to only confirm whether the nuclear material is diverted for military purpose.

Therefore, during the forthcoming inspections, examination of the equipment and work log, and confirmation of the status of the seals will be conducted in seven major facilities out of 16 declared facilities, including an experimental atomic reactor, critical and semi-critical facilities, a nuclear fuel rod manufacturing plant, a nuclear fuel storage facility, a 5-megawatt atomic reactor, and a radiochemical laboratory.

North Korea ratified the Nuclear Safeguards Accord in April 1992, and following this, it forwarded for the first time a list of 16 nuclear facilities to the IAEA on 4 May. North Korea then reported to IAEA in 1992 that it extracted 90 grams of plutonium. However, the result of the inspection revealed that North Korea seemed to have extracted more, possibly several kilograms, thus showing a discrepancy.

In a bid to inquire into this discrepancy, the IAEA demanded a special inspection of two sites in Yongbyon, which have been suspected of being nuclear waste storage facilities. However, North Korea rejected the demand, and declared its withdrawal from the NPT in 1993. Thus, the North Korean nuclear issue became an international problem. [passage omitted on types of inspections stipulated in international laws]

Revival of N-S Nuclear Committee Sought

SK0203053694 Seoul CHUNGANG ILBO in Korean 2 Mar 94 p 2

[By Pak Ui-chun]

[Text] Considering the operation of the North-South Joint Nuclear Control Committee [JNCC] a must to resolution of the North Korean nuclear issue by the North and South, the government has decided to officially propose resuming the committee's operation to North Korea when special envoys are exchanged between the North and South sometime this month.

A government official on 2 March said: "It is very important to operate the JNCC at a present stage to independently resolve North Korea's nuclear issue and to realize the denuclearization on the Korean peninsula," and added "the government intends to suggest this matter to the North side when special envoys are exchanged."

He also disclosed that: "As soon as a working-level contact for the exchange of special envoys is over, the steps for the resumption of the JNCC will be extensively discussed," and concluded "however, it is not clear whether North Korea will accept our proposal."

U.S. Delays Announcing Agreement With DPRK

SK0103232894 Seoul KBS-1 Radio Network in Korean 2210 GMT 1 Mar 94

[YONHAP from Washington]

[Text] The U.S. Government had originally planned to announce the U.S.-DPRK agreement [habuimun] reached in their New York contact and to take simultaneous measures [tongsi chochi] according to it. However, it decided to delay the announcement on the simultaneous measures as North Korea proposed the South-North working-level contact to be held on 3 March, rescheduling the date we proposed earlier.

A high-level diplomatic source in Washington said: The U.S. Government planned to announce on 2 March—as soon as the International Atomic Energy Agency inspection team arrived in Pyongyang, and South-North working-level contacts were resumed—a statement on the ROK Government's consent [chiji] to suspension of the Team Spirit exercise and on the decision to hold the third round of U.S.-DPRK talks on 21 March. However, it has decided to postpone the announcement of all

simultaneous measures until tomorrow [3 March] because North Korea delayed the South-North dialogue, breaking its promise.

It has been learned that the U.S. Government made this decision after consulting with the ROK as a result of North Korea breaking its promise and the United States took countermeasures [taeung pangan] on this.

Sources said: All U.S.-DPRK agreements are linked with one another. If, either side, the United States or North Korea does not implement one of the simultaneous measures, all other agreements will automatically be invalidated.

Regarding this, a senior officer of the U.S. State Department stressed again that the resumption of South-North dialogue on the nuclear issue by exchanging envoys of South and North Korea is one of the preconditions [chonje chogon] of the third round of U.S.-DPRK talks.

Ambassador Laney Cited on Agreement

SK0203080994 Seoul YONHAP in English 0752 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—U.S. Ambassador to South Korea James Laney said Wednesday that Washington will announce a four-point agreement with Pyongyang at their working-level contact at 11 P.M. Thursday [1400 GMT] (9 A.M. Washington time).

The agreement includes the date for a third round of high-level talks between the United States and North Korea, tentatively slated for March 21 in Geneva.

Laney made the disclosure during a meeting with Deputy Prime Minister and head of the National Unification Board [NUB] Yi Yong-tok. Laney briefed Yi on the process and the content of the U.S.-North Korean agreement, according to NUB spokesman Kim Hyong-ki.

At the meeting, Yi again stressed the South Korean Government's position that Seoul and Pyongyang must exchange special envoys before the United States and North Korea can hold a third round of negotiations.

Yi and Laney shared the opinion that Washington and Seoul need to consult closely on the issue, the spokesman said.

If South and North Korea failed to exchange special envoys before March 21, Yi and Laney agreed that North Korea would be in a difficult position, Kim added.

Seoul Accepts DPRK Plan for Meeting 3 Mar

SK0203031394 Seoul YONHAP in English 0238 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—The South Korean Government sent a telephone message to North Korea Wednesday accepting the North Korean counterproposal to hold a working-level contact in Panmunjom at 10 a.m. Thursday to discuss problems related to the proposed exchanges of special envoys. The message was sent in the name of Song Yong-tae, chief South Korean delegate to the inter-Korean contact. Thursday's meeting is to be held at "Peace House" on the southern side of the border at the truce village. It has been four months since South and North Korea last held the working-level contact on Oct. 25 last year.

"We will go to the Peace House at 10 a.m. Thursday, as you have proposed, hoping a successful outcome of the working-level contact," Song said. "It is regrettable, however, that you have placed responsibility on our side for the suspension of the contact and failure to make any progress in the meantime," Song said.

The exchanges of special envoys between Seoul and Pyongyang have to be realized as soon as possible because they were agreed upon by both sides for the resolution of the nuclear issue and other pending inter-Korean problems, Song told North Korea.

"It is important for you (North Korea) to make a sincere and productive approach to discussions for the exchanges of special envoys, and respect and fulfill commitments you made," Song said.

After sending the message, Song told reporters that Thursday's meeting could make progress if North Korea does not offer preconditions and repeat its past demands that South Korea suspend "a nuclear war exercise" and stop participating in "an international campaign" against North Korea. Song also said that he does not detect any signs of North Korea rejecting further working-level contact blaming a delay by South Korea on the announcement of the suspension of the joint U.S.-South Korean military exercise Team Spirit. But Song said whether or not International Atomic Energy Agency (IAEA) inspectors who went into North Korea on Tuesday have actually began their work has not been confirmed.

In any event, if the inter-Korean contact is carried out on Thursday, South Korea is expected to announce a conditional suspension of the Team Spirit exercise while the U.S. Government will make its announcement on a third round of the U.S.-North Korean high-level talks tentatively slated for March 21 in Geneva.

Government To Show 'Flexibility' at N-S Contact

SK0203083994 Seoul YONHAP in English 0818 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—South and North Korea are to hold their fourth working-level contact after a four-month break on Thursday [3 March], and Seoul is expected to show flexibility in discussing North Korea's demand, informed sources said Wednesday.

Earlier Wednesday, Song Yong-tae, chief South Korean delegate to the inter-Korean working-level contact, sent a

telephone message to his North Korean counterpart, Pak Yong-su, accepting a North Korean counterproposal to hold the meeting Thursday.

With the meeting, Seoul plans to announce the suspension of the joint U.S.-South Korean military exercise "Team Spirit," on condition that an International Atomic Energy Agency team starts inspecting North Korean nuclear facilities and a special envoy exchange between the Koreas takes place.

The South Korean side is also expected to convey President Kim Yong-sam's desire to hold a summit with President Kim Il-song as soon as possible and Seoul's willingness to send its special envoy to Pyongyang first, the sources said.

Song will be accompanied by Chang Chae-yong, director general of the American Affairs Bureau at the Foreign Ministry, and Kim Il-mu, a councilor at the prime minister's office, as members of the Southern delegation to Thursday's contact, the sources said.

Dailies Note Barriers in North-South Dialogue

SK0203112494

[Editorial Report] The following is a compilation of articles and editorials on the resumption of North-South dialogue carried by Seoul vernacular newspapers on 1 and 2 March.

The moderate CHUNGANG ILBO in Korean on 1 March carries on page 3 an 800-word editorial urging the ROK Government to be prudent in enforcing its policy toward North Korea. The editorial reports that the North-South working-level contact for the exchange of special envoys will encounter many difficulties, noting the fact that North Korea failed to respond immediately to our side's proposal to hold the contact and that it has bitterly denounced President Kim Yong-sam's 25 February new conference. The editorial notes that "such an attitude by North Korea, though an hackneyed one, may be a tactical trick designed to lead the contact favorably." The editorial continues that, nevertheless, our government's attitude toward the upcoming North-South working-level contact for the exchange of special envoys gives the impression that it has forgotten such a hackneyed attitude of North Korea. The editorial stresses that "negotiations require strategies and tactics," and advises that the government use adequate negotiating cards in the upcoming working- level contact.

The conservative CHOSON ILBO in Korean on 2 March carries on page 3 a 700-word editorial entitled "We Should Be Hasty in Dealing With the North-South Issue." Noting that North Korea is actually interested mainly in talks with the United States, not in North-South dialogue, the editorial urges the government to be prudent and not to show the North Korean side a hasty attitude in the course of the upcoming North-South working-level contact. Citing the difficulties in dealing with the North-South issue and North Korea's cunning tactics, the editorial concludes: "We should not repeat our past mistakes in the upcoming North-South dialogue. We need to learn from past lessons with modesty."

The moderate HANGUK ILBO in Korean on 2 March carries on page 3 an 800-word editorial entitled "We Oppose Unsubstantial Exchange of Special Envoys." Stressing that the realization of the exchange of special envoys depends entirely on North Korea's sincerity, the editorial reports that the prospect of the exchange of special envoys is not so bright because North Korea has reluctantly accepted the North-South working-level contact with the aim of suspending the Team Spirit military exercise and holding a third round of U.S.- North Korean talks. The editorial continues that if the exchange of special envoys is realized without producing substantial agreements, it will be meaningless and will not be conducive to easing tension on the Korean peninsula. In this connection, the editorial stresses that our government should adhere to and achieve the precondition it has put forth, that is, the realization of simultaneous inspections in the North and the South. In conclusion, the editorial stresses that the government should cancel its plan to announce the suspension of the Team Spirit exercise at an early date and, at the same time, should make efforts so that the United States refuses to hold a third round of talks with North Korea in case North Korea shows an insincere attitude at the upcoming North-South working-level contact.

The moderate KYONGHYANG SINMUN in Korean on 2 March carries on page 3 a 700-word editorial entitled "There is No Short Cut to the Settlement of the North Korean Nuclear Issue." The editorial welcomes North Korea's acceptance of International Atomic Energy Agency, IAEA, nuclear inspection. The editorial stresses that if North Korea's nuclear transparency is to be firmly guaranteed and the upcoming North-South contact is to start off on the right foot, there will be many barriers to overcome. The editorial, however, warns that the IAEA inspection is just the beginning and that we should not expect much. The editorial urges the government to act prudently in the negotiations with North Korea and not to tread upon thin air—believing that North Korea's acceptance of IAEA inspection is the realization of the normalization of North-South relations. In conclusion the editorial emphasizes that we should clearly present our demands to North Korea and keenly grasp North Korea's strategies toward South Korea in order to avoid becoming entangled in them.

The pro-government SEOUL SINMUN in Korean on 2 March carries on page 3 an 800-word editorial entitled "Expecting Productive North-South Dialogue." The editorial analyzes that the delay in the North-South working-level contact for the exchange of special envoys is due to North Korea's indifference to dialogue with the South.

The editorial stresses that "ROK is the only country in the world that can quickly and accurately provide North

Korea with what it needs desperately, including food, energy, economic aid, and even active support in the improvement of relations with the United States and Japan."

The editorial reports our side's delegate to the contact should convey this point to North Korea because past dialogues were only superficial and each side had different objectives.

The editorial hopes such mistakes will not be repeated so that the exchange of special envoys will be realized soon for a more productive dialogue in the consequent North-South summit talks.

SEOUL SINMUN in Korean on 2 March carries on page 4 a 1,000-word article by Yang Sung-hyon summarizing the advantages and disadvantages of the 25 February agreement. The editorial reports the game cannot be won one-sidedly as Foreign Minister Han said: "It is not a zero-sum game but a nonzero-sum game."

The article explains that "the two sides' goals of the nuclear negotiations are not necessarily conflicting but complementary." The editorial continues that North Korea did not "win" the suspension of the Team Spirit exercise, which the ROK and the United States had little intention to continue as they did not include it in their budgets for this year, but used the suspension to convince North Korea to accept the inspections. The article contends that all sides desired the third-round talks.

The article reports, however, North Korea did not lose everything because it has succeeded in obtaining written promises to suspend the Team Spirit exercise and to resume the third-round talks in return for North-South working-level contacts, which it can suspend anytime with trifle excuses. The article adds that the exchange of special envoys was not mentioned in the agreement and nuclear inspections were defined to only provide assurance of the continuity of safeguards, thus North Korea still has the initiative on this subject. The article concludes the score is ROK and the United States, 55; North Korea, 45.

The left-leaning HANGYORE SINMUN on 2 March carries on page 2 a 1,400-word article by Kang Tae-ho and Yi Sang-ki on the delay of the North-South working-level contact.

The article analyzes there are two reasons for the delay: one, because the ROK Ministry of National Defense postponed the announcement to suspend the Team Spirit exercise to the afternoon of 1 March to coincide with the arrival of the IAEA inspection team in North Korea; second, because North Korea misinterpreted "the resumption of working-level contact" as "agreement on the resumption," not "actual holding of working-level contact."

The article expresses optimism because North Korea showed a different attitude by saying "the exchange of special envoys is an urgent task that cannot be delayed" in its telephone message. Therefore, the article expects it will not be very difficult to reach a compromise on the follow-up steps, including the methods of the exchange and the duties of special envoys.

The article concludes that the government should be prepared for North Korea's additional demands to suspend other military exercises, including the Ulchi exercise.

IAEA Unable To Begin Inspections in Yongbyon

SK0203110394 Seoul KBS-1 Radio Network in Korean 1000 GMT 2 Mar 94

[Report by Cha Man-sun from Vienna—live]

[Text] The nuclear inspection by the International Atomic Energy Agency [IAEA], which was supposed to begin in a full-fledged manner in Yongbyon, North Korea today, has not been conducted due to North Korea's lack of cooperation. Vienna-based correspondent Cha Man-sun reports from Vienna:

[Cha Man-sun] The full-fledged nuclear inspection of the seven nuclear sites has not been conducted as scheduled due to North Korea's lack of cooperation. The inspection team arrived in Pyongyang on 1 March and coordinated its inspection schedule in order to begin a full-fledged inspection activity in Yongbyon today, but due to the North Korean side's lack of cooperation, such as the delay in the inter-Korean working contact for the exchange of special envoys, the inspection team has not been able to begin the inspection activities, it has been learned today.

David Kyd, IAEA public information officer, disclosed this and said that the seven-man inspection team is now standing by, preparing for a full-fledged inspection. Mr. Kyd said that although the inspection team has not been able to conduct a full-fledged inspection activity today, he hopes that the inspection team will begin the inspection activities on 3 March and that in view of the fact that the IAEA cannot contact the inspection team at present, the inspectors may be standing by at the Yongbingwan [guest house] in Yongbyon.

In connection with this, the IAEA today held an emergency ad hoc meeting and decided to take follow-up measures after watching developments for a day or two. Meanwhile, an IAEA official said that the inspection team in North Korea was scheduled to conduct inspection activities for at least 10 days and was to inspect the nuclear fission reaction laboratory facilities of Kim Il-song University in Pyongyang for a few days.

Minister Han on DPRK Talks With U.S., Iran Ties

SK0203091794 Seoul YONHAP in English 0854 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—Seoul and Washington are determined that a third round of North

Korean-U.S. high-level talks can be held only after special envoys are exchanged between South and North Korea, Foreign Minister Han Sung-chu said Wednesday.

Han, responding to lawmakers' questions at the National Assembly's Committee on Foreign Affairs and National Unification, said the exchange of special envoys is a clear precondition for the third round of Pyongyang-Washington high-level talks.

According to an agreement between North Korea and the United States reached last Saturday, the two nations are scheduled to hold the third round of high-level talks late this month.

Han said, "Pyongyang and Washington can discuss the possibility of improving their bilateral relations at the third round of high-level talks, but now is not the time to discuss setting up diplomatic relations. It is not an issue that can be realized in the near future, either."

He also commented on the alleged construction of a North Korean-Iranian plant to jointly produce North Korea's Nodong-1 missile.

"The government conveyed its concern to the Iranian Government through direct and indirect channels. Cooperation between North Korea and Iran has not been realized yet. It has not been decided on yet."

Han denied remarks made by Deputy Prime Minister and Minister of the Economic Planning Board Chong Chae-sok, who said on Monday that the government will announce an important plan on inter-Korean economic cooperation soon.

"There is no plan for the government to make any important announcement related to inter-Korean economic cooperation," he said.

Meanwhile Paek Nak-hwan, director-general of the Foreign Ministry's European Affairs Bureau, said revision of government guidelines on handling asylum seekers is under study to deal with North Korean loggers who have escaped from logging yards in Siberia to come to South Korea.

"The government is also studying various international laws and will revise domestic laws if necessary. The Russian Government admitted that there are problems including infringement of human rights in North Korea's logging yards (in Siberia), and is studying ways to revise the forestry agreement it concluded with North Korea to insert a provision on protection of human rights," Paek said.

Tokyo Summit To Address Aid to Koreans in Sakhalin

SK0203110694 Seoul YONHAP in English 0804 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—The Japanese Government is expected to present measures aimed at helping ethnic Koreans in Sakhalin return to their motherland permanently when South Korean President Kim Yong-sam visits Tokyo for a summit late this month.

At the upcoming Seoul-Tokyo summit, Japan is expected to explain its efforts to settle past issues between the two nations, Yu Pyong-u, director-general of the Asian Affairs Bureau at the Foreign Ministry, told the National Assembly's Foreign Affairs and National Unification Committee Wednesday.

He strongly hinted that the matter of arranging repatriation of Koreans on the Russian island would top the summit's agenda, along with the North Korean nuclear problem.

Tokyo mobilized around 150,000 Koreans for forced labor on Sakhalin in the 1940s when Korea was under Japanese colonial rule. About 42,000 first-generation Koreans and their descendants still live on the island, with an estimated 13,000 saying they want to spend the rest of their lives in Korea.

Seoul holds Japan legally responsible for their repatriation and insists that it should bear the cost of their return and settlement and living expenses.

Repatriation of Koreans on Sakhalin could symbolize Seoul-Tokyo attempts to finally put their past behind them, and the two governments have already made such diplomatic efforts as sending a joint study team in January, Yu said.

Trade Deficit of $478 Million Reported for Feb

SK0203110894 Seoul YONHAP in English 0800 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—South Korea posted a trade deficit for the second consecutive month in February, officials from the Trade, Industry and Energy Ministry said Wednesday.

Exports totaled 6.23 billion U.S. dollars in February, up 4.8 percent from the same month last year, while imports hit 6.7 billion dollars, up 3.3 percent.

The figures showed a February trade deficit of 478 million dollars and an accumulated trade deficit of 1.91 billion dollars for the first two months of this year, up 389 million dollars from the same period a year earlier.

During the two months, exports rose 9.3 percent from 1993, while imports soared 11.2 percent.

Even though light industry exports rose 3 percent and exports to advanced countries increased 5 percent in February, the trade deficit widened because imports of capital goods jumped 15 percent.

The yen's strength boosted exports to Japan for most items. Exports to the United States and the European Union rose around 10 percent thanks to brisk sales of heavy and chemical products such as electronics, electric goods and automobiles.

Meanwhile, imports of general machinery, precision machinery and electric/electronics also jumped 25 percent, 35 percent and 20 percent, respectively, reflecting rising business activity at home.

Textile imports surged 70 percent and imports of sea products and daily commodities climbed 20 percent.

Ministry officials predicted imports will continue to rise because the domestic economy is on the mend.

In February, arrivals of Letters of Credit (L/C) reached 3.71 billion dollars, off 0.5 percent from the same month in 1993, and import licenses came to 5.53 billion dollars, up 17.8 percent.

Ministry Reinstates Union-Activist Teachers

SK0203072694 Seoul YONHAP in English 0544 GMT 2 Mar 94

[Text] Seoul, March 2 (YONHAP)—Primary and secondary school teachers expelled for joining a teachers' trade union four years ago returned to their classrooms on Wednesday.

The Education Ministry said 1,135 of the 1,330 teachers reinstated in their former profession had reported to new assignments across the country.

Of the rest, 159 will be assigned to schools during the current semester and the remaining 36, who are either members of city or county education boards or involved in lawsuits, will be given jobs when their board tenure expires or when their cases are cleared up.

Among the 1,419 teachers expelled for union activities, 89 were not reinstated for refusing to grant government officials an interview, for not taking a refresher course or for vowing to continue in the union, the Ministry said.

In Seoul, 454 of 508 sacked teachers have been reinstated and reported to some 340 schools in the capital area.

But most schools are expected to avoid placing these teachers in charge of a class for fear of the influence they, as former unionists, may have over students.

Air Force Academy Admits First Foreign Cadet

SK0203073294 Seoul YONHAP in English 0539 GMT 2 Mar 94

[Text] Chongju, South Korea, March 2 (YONHAP)—The South Korean Air Force Academy has admitted the first foreign cadet in its 46-year history.

A 22-year-old Thai, Natachai Jencharoenwatama, stood proudly next to Korean cadets on the campus of the Air Force Academy in Chongwon, North Chungchong Province, Tuesday as a member of the 46th class.

Natachai, born in Kanchanaburi, was selected as one of 14 cadets given the privilege of studying abroad while a freshman at the Thai Air Force academy in 1992.

He arrived in March last year and took a one-year Korean language course at the Seoul National University Language Institute before moving on to the North Chungchong campus in January.

He underwent five weeks of basic military training and tried to get used to the unfamiliar language and environment.

"I like chicken and pork, but I don't know about kimchi yet," he said in broken Korean.

Natachai has four years of regular courses still ahead and will most likely get used to kimchi and many other things Korean by then.

"I'm prepared to learn the advanced studies and skills of the Korean Air Force to be an excellent Thai hawk," he said.

The Korean Air Force Academy said it will continue to open its doors to foreigners as well as recruit female cadets from next year.

Rabies Reported in Kyonggi, Kangwon Province

SK0203014594 Seoul TONG-A ILBO in Korean 26 Feb 94 p 30

[By Suwon-based correspondent Im Ku-pin: "Warning of Emergency Guard Against Rabies in Kyonggi and Kangwon Area"]

[Text] Residents and domestic animals infected with rabies have been discovered in Yonchon in Kangwon Province and Chorwon and Hwachon in Kangwon Province, as well as in the area near the Demilitarized Zone where the entry of civilians is restricted, thus indicating an outbreak of rabies. Therefore, the Kyonggi Provincial government plans to inoculate 22,000 cows and dogs in northern Kyonggi Province. On 25 February, a neighborhood meeting was held in 553 places to discuss measures against rabies and a propaganda campaign on the prevention of rabies was conducted.

Meanwhile, the Domestic Animal Sanitation Research Institute in the Agricultural Promotion Agency recommended to the Ministry of Agriculture and Fisheries that the northern district in Kyonggi Province be designated as the first district for the prevention of rabies.

It was learned that rabies broke out in the Chorwon and Hwachon area last year, too, and that raccoons and wild cats that came to the villages to find food infected the dogs and cows by biting them in a fight.

The provincial government also requested the military units to shoot these animals to death as soon as they are found, and handed down a directive to each county and city to slaughter the infected cows and dogs.

Mountain Fires Break Out in DMZ Area 28 Feb

SK0203020494 Seoul YONHAP in English 0147 GMT 2 Mar 94

[Text] Suwon, March 2 (YONHAP)—Amid a dry weather alert, three mountain fires broke out in Kyonggi Province on Monday [28 February], destroying an area covering 264 hectares.

A blaze that started on a mountain in the demilitarized zone in Torasan-ri, Changso-myon, Paju-kun at 4:00 PM engulfed a 260-hectare area in 20 hours before dying out at 11:30 PM.

During the fire, some 50 mines buried in the DMZ exploded, witnesses said.

When the fire became stronger around noon, army posts to the south of the Military Demarcation Line started a counter blaze to keep the flames from spreading further.

In Towon-ri, Chongun-myon, Yangpyong-kun, the province's second mountain fire of the day broke out at 2:25 PM, destroying an area of 3.5 hectares. The blaze was brought under control in three hours, thanks to a Forestry Administration helicopter and 100 villagers.

The third fire started on a mountain in Chinjung-ri, Choan-myon, Nam Yangju-kun at 6:00 PM and destroyed 0.5 hectares in about an hour.

Brunei, Malaysia & Singapore

Malaysia

Mahathir 'Disappointed' over British Inaction

BK0203084294 Kuala Lumpur Voice of Malaysia in English 0600 GMT 2 Mar 94

[Excerpt] Datuk Sri Dr. Mahathir Mohamed says the Malaysian Government is disappointed over the British Government's silence on the lies spread by the irresponsible British media. The British Government also did not act well to deny or give a true explanation on the claim by the irresponsible media in that country that the Malaysian leaders were corrupt. British newspapers frequently attack Datuk Sri Dr. Mahathir and other Malaysian leaders of having received pay-offs for approving privatized projects to British companies.

The prime minister however said that the Malaysian Government had no quarrel with the British Government and British companies when it decided not to offer any new contracts to British companies. He made the remarks when breaking the fast with UMNO [United Malays National Organization] Youth leaders in Kuala Lumpur last night.

In another development, the Health Ministry will no longer import medicine produced in Britain under the cabinet's directive to bar British firms from getting government-funded contracts. This was stated by its minister Datuk Lee Kim Sai. He said, however, existing contracts with British companies would be honored. He said this after presenting a check for 100,000 ringgit to the nongovernment council on AIDS at its office in Kuala Lumpur yesterday. [passage omitted]

Singapore

Government Has One-Third Stake in Fund

BK2502133394 Singapore THE STRAITS TIMES in English 25 Feb 94 p 1

[Text] The Singapore Government has taken a one-third stake in a U.S.$161 million (S$1.2 billion) [Singapore currency] fund which will invest in infrastructure projects in Asia, including China. This marks its single biggest commitment in a direct investment fund so far. Called AIG Asian Infrastructure Fund L.P., the fund could eventually reach U.S.$1 billion in three to four months, when more subscribers are drawn in, officials said.

Singapore's investment is being made through the Government of Singapore Investment Corporation (GIC), which has contributed U.S.$200 million, and Temasek Holdings, which has injected U.S.$50 million. This makes a total of U.S.$250 million (S$400 million). "This will be the single biggest commitment and direct investment for GIC and Temasek," GIC's deputy managing director, Dr Teh Kok Peng, said yesterday, following the fund's contract-signing ceremony.

The other major investor in the fund is American International Group (AIG), which has committed U.S.$100 million through its wholly-owned subsidiary American International Reinsurance Company.

The partners hope to attract other Singapore investors, who must contribute a minimum of U.S.$10 million each.

The fuhd has already caught the interest of major American pension and endowment funds, which account for most of the remaining U.S.$411 million invested. Subscribers include General Electric Co, the University of California and Princeton University.

China International Trust and Investment Corporation (Citic)—one of Beijing's biggest conglomerates—has invested U.S.$25 million. State-owned Citic and the Bank of China will give advice on the fund's investments in China.

GIC and Temasek will co-manage the fund through their newly-set up affiliate, Singa Infrastructure Management. The other co-manager is AIG.

Pakistan's former caretaker prime minister and ex-World Bank chief of operations, Mr Moin Qureshi, will be the fund's chief financial adviser. It is believed that Mr Qureshi's credentials helped persuade the Singapore Government to participate in the fund, when it was approached initially by AIG several months ago. Another factor was the high potential financial returns.

As much as half of the fund is expected to go to projects in China. The balance will be invested in Indonesia, Malaysia, the Philippines Taiwan and Thailand. However, other Asian countries may receive up to one-fifth of the fund. Said Mr Qureshi yesterday: "China and ASEAN offer the most attractive opportunities for foreign investment over the next decade."

The fund will focus on power, telecommunications and transportation projects. It can, however, invest in other resource developments, property or environmental services projects.

Officials said they hoped to give investors a 20-25 percent return on equity. The 10-year fund is allowed to invest up to U.S.$80 million in any single project.

The fund is considering investing in projects in Thailand and China first. China alone is forecast to need between U.S.$55 billion and $60 billion to develop its power facilities. Asia's cash-starved infrastructure sector has emerged as a red- hot investment target for global funds.

In early February, billionaire financier George Soros's Quantum Industrial Holdings teamed up with GE Capital to set up a U.S.$2.5 billion global fund for power projects. Mr Soros had also announced plans to link up with Hong Kong brokerage Peregrine Investment to

launch a U.S.$1 billion Asian Infrastructure Fund. Officials said the success of these infrastructure funds could spark off a flow of capital into the region on an unprecedented scale.

Cambodia

Anlung Veng Counterattack, Thai Help to KR Seen

BK0203115194 Hong Kong AFP in English 1054 GMT 2 Mar 94

[By Kevin Barrington]

[Excerpts] Phnom Penh, March 2 (AFP)—Cambodian troops, ousted by Khmer Rouge [KR] guerrillas from a rebel base they captured in early February, are regrouping and planning to counter-attack within the next 10 days, a regional military commander said Wednesday. Government forces have withdrawn to positions about 10 kilometers (six miles) south and west of the base at Anlung Veng—the radical faction's headquarters for all guerrilla operations in north and central Cambodia—to positions they held six months ago.

Toan Chhay, commander of the 4th Military Region and governor of Siem Reap province where the base is situated, told AFP by telephone that his 1,200 government troops were re-grouping. "Now we gather our forces to attack again and we will re-capture Anlung Veng within 10 days at the most," he said. He said the decision to withdraw came because "our soldiers lacked food and supplies. The KR have captured the base itself but we are still in the Anlung Veng area," he said. Cambodian armed forces control most of the surrounding area, he said. [passage omitted]

Co-premier Hun Sen said the guerrilla shelling had forced the government to make a tactical retreat from the centre of Anlung Veng. But he emphasised that Anlung Veng was more than just the base and it covered a very big area. The government has persistently described the loss of the base, which it captured after a six-month struggle against the guerrillas, as a tactical withdrawal and not a military defeat. [passage omitted]

Speaking at a press conference in the capital, Information Ministry spokesman Sieng Lapresse claimed government troops were engaged in pitched battles with the guerrillas. "Sometimes they (the KR) get in our frontline and three or fours hours later we recapture it, so that's the battle," he said. When asked about the military commander's admission that troops had withdrawn from the centre of the base, the exasperated spokesman replied: "Don't believe me because I know the situation changes fast. If you pick up this story and write it, before the ink dries it changes." Sieng Lapresse went on to say that commercial rather then military reasons may have been the motivation for the rebel counter- attack.

The KR finance their guerrilla operations by selling logging and [words indistinct] to primarily Thai business interests, many of which are controlled by the Thai military. Anlung Veng was a major centre for logging activities. When the government forces captured the base, "a great number of logs" were left behind by the retreating guerrillas, he said. "One of the primary goals of the KR was to try and get these logs out through Thailand," the spokesman said.

Government officials said part of the estimated 600-strong guerrilla force attacked from Thai territory, and that once the guerrillas pushed the government troops back, trucks followed in their tracks to pick up logs. "I don't know if they were Thai trucks but trucks came and picked up logs and went back in that direction which is north of Cambodia," the spokesman said without referring to Thailand by name.

The guerrillas also had a lot of weapons caches in the area, he said. "When we attacked they were unable to get them out on time so they try to come and get their weapons and ammunition back," he said.

Editorial to U.S.: Forget About Compensation

BK0103133594 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 26 Feb 94 p 1, 2

[Editorial: "The United States Should Forget About Compensation Claims"]

[Excerpts] It was like dry-season lightning when the foreign press began reporting that the United States began talks with Cambodia on 24 February on compensation claims arising from the takeover of Cambodia by the communists in 1975. The claims also encompass all private debts.

The claims by the United States are correct based on the view that the new government should inherit all the legacies from old governments. Logically, however, the United States' demands appear to be totally unreasonable.

It is widely known that the Polpotists seized all private assets, whether or not they were owned by U.S. or Cambodian individuals or any other countries. It is widely agreed that the current government cannot be accountable for what the Khmer Rouge clique seized. The Khmer Rouge pulled themselves out of the UN-organized peace process. They should be asked to pay for private property they destroyed. If Washington is determined to claim compensation, it would only be diplomatic excess. Moreover, it is worth noting that what happened in Saigon and what happened in Phnom Penh after 1975 were completely different—the communists who confiscated private assets in Cambodia have already been outlawed, a situation completely different from that in Vietnam. [passage omitted]

The United States should forget about compensation claims from Cambodia as it has done with other Third

World countries. What the Cambodian people want to see from the United States is its determination to make a success of the international conference on the reconstruction of Cambodia to be held in Tokyo, Japan, on 10 and 11 March 1994, according to the wish of Cambodia, one of the poorest countries of the world.

Indonesia

Megawati: 'Complete Freedom' Needed in Elections

BK0203110794 Jakarta THE JAKARTA POST in English 22 Feb 94 p 2

[Excerpt] Ujungpandang, South Sulawesi (JP)—Indonesian Democratic Party (PDI) Chairperson Megawati Sukarnoputri has said the people should be given complete freedom to elect their leaders, including the future president.

Megawati, joining in the debate about who should succeed President Suharto if he steps down in 1998, stressed that the succession should proceed constitutionally. "I know President Suharto is a wise man who knows very well that everything should be in line with the 1945 Constitution," she said as she wound up her tour of the province on Sunday.

The succession debate resurfaced last week with a statement from Donald Wilson, an American author who has written about President Suharto's leadership, that the incumbent leader "knows when to step down" and that he would not be president for life.

Suharto, now 72 years old, was reelected for his sixth five-year term in office last year. There is now growing speculation that he will step down in 1998, if not before because of his age. The president however has not publicly disclosed his intentions.

Megawati, who was elected by popular vote in an unprecedented party congress in December declined to go into detail when pressed if she would consider running for the presidency. "I'd rather keep the answer to myself," she said, but stressed that the political elite should heed what the people have to say about the next leader.

She warned that the more the Indonesian people are educated, the more they will understand their political rights and that only leaders with broad horizons will be elected.

PDI, the smallest of the three organizations sanctioned by the government to contest the general election, also urged the abolishment of the controversial "floating mass" system, which bars the rural masses from politics except during elections.

Under this policy, political organizations are barred from setting up branch offices below regency or mayoralty levels.

PDI and the United Development Party (PPP) say the system benefits their rival, the government-backed Golkar [Functional Group] because all village heads who can mobilize the masses, are effectively Golkar cadres.

Both PDI and PPP have been demanding that they be allowed equal access to reach the grassroots supporters in villages so that they can compete on equal footing. [passage omitted]

Editorial on Suharto's 'Right' Retirement Decision

BK0203115994 Jakarta THE JAKARTA POST in English 22 Feb 94 p 4

[Editorial: "President Suharto's Wish"]

[Text] Although President Suharto has more than once expressed his wish to retire and has as many times failed to translate this into reality, his statements on his political future are always intriguing. It is fresh in our minds that in his autobiography entitled Suharto: Pikiran, Ucapan dan Tindakan Saya (Suharto: My Thoughts, Sayings and Deeds), published in 1988, the then 67-year-old President said that he believed he was in his final term as President.

He said that by the time he accomplished his term in 1993 he would be 72 and "more than old enough" for the job. He said that his children shared the same opinion. In the same context, Suharto was clearly free from any feelings of hurt or affront when he said, "it is not exaggerating when one says that my installation as president on March 11, 1988, was the last one for me."

To many people here—or perhaps abroad as well—the statement was more convincing than surprising. They became even more convinced of the President's intentions when, three years later, Suharto, who was then in his fifth term, said that he would not try to persuade the People's Consultative Assembly (MPR) to elect him for another term.

Speaking in a meeting with a delegation of the KNPI National Youth Committee, the President then mirthfully introduced his own acronym, in saying that "It is true I am becoming a 'top' man." But he said the meaning of 'top' here was the Indonesian acronym TOPP—T for tua (old), O for ompong (toothless), P for peot (hollow cheeked) and P for pikun (senile).

However, aside from those humble remarks, the President has always also said that he would be ready to serve another term if the people asked him to do so.

Then, for quite a long time we did not hear such remarks from the head of state, who is now serving his sixth five-year term. But suddenly, last week, Suharto's American biographer, Donald W. Wilson, quoted him as saying that he would step down in due time. What made the statement different from the previous ones was that this time he added that "I am not a president for life."

The statement is noteworthy because in so saying the President seemed to have in mind President Sukarno's failure to reject his nomination as "president for life" by the Provisional MPR, whose members were handpicked by him. History has taught us that in accepting the nomination, Sukarno led the nation towards bankruptcy, both political and economic.

President Suharto's statement to Dr. Wilson could also mean that some day he may feel the need to decline the people's request for him to accept another term in office.

However, the question of when that time will come still constitutes a national puzzle that the current ongoing public debate prompted by the statement has failed to address satisfactorily. This situation is quite understandable because it concerns the right time for Suharto to decide to retire, so that he will not enter history as the country's second president for life.

Alamsyah Ratuperwiranegara, the former coordinating minister of social welfare and a staunch Suharto supporter, said recently that he took the President's statement, as quoted by the biographer, as a strong indication that Suharto would not be willing to be nominated for another term in office.

The view aired by Alamsyah, a shrewd politician who played an important role in the birth of the New Order government almost three decades ago, is apparently based not only on the conviction that the President was sincere in his remark, but also that Suharto will be 77 years old when his current term ends in 1998. Although Suharto's health has been better than that of the average Indonesian during the last 30 years, at 77 he might well feel that he is too old for the job of leading a nation of almost 200 million people.

A wise leader is one who knows when he has to step down. If Suharto makes the right decision, he will no doubt be remembered as a great leader who has always had at heart the interests of all of his people, the poor included. In fact, nothing is certain in politics but the good judgment of a wise leader.

Private Sector, Capital Market Development Roles

94SE0069A Jakarta SUARA PEMBARUAN in Indonesian 27 Jan 94 p 9

[Excerpts] The private sector must bear a heavy burden in the Second Long-Term Development Plan (PJP II). Greater confidence has been placed in the private sector in this second 25-year development period than in the previous PJP.

During PJP I the government gave the private sector a 60-percent role in total national investment; in the upcoming 25-year period the private sector will be given an even greater role, i.e., about 73 percent and the remaining 27 percent will remain the responsibility of the government.

This means that during PJP II the private sector, including the State-Owned Corporations (BUMN) and cooperatives, must be able to provide 660 trillion rupiahs of total national development, a very large figure. How will the private sector furnish or try to find such a large amount? The only way is for it to work harder than it has to date. In addition, the government must create a climate conducive to its development and determine which part of the private sector must be given the highest priority in playing a role and developing.

The government has said that in developing the private sector small and medium businesses have been given the highest priority. This is in line with trends found in other countries, in which the role of large businesses (conglomerates) will shift more and more to small and medium businesses.

Nevertheless, the government warns that private participation in national development should not depend on foreign loans. It cannot be denied that foreign loans are needed for development but if the amount is too great, it will harm Indonesia.

In that connection, it is hoped that the private sector will no longer dream of glory by continuing to force the construction of megaprojects. These require large amounts of money. Where is the money to come from if not from abroad? Also, the failure to build megaprojects due to the inability to pay off the foreign loans can prove fatal. It might increase Indonesia's "country risk" for foreign investors. It would be quite different if these megaprojects were 100 percent Foreign Capital Investments (PMA) because this would mean the introduction of foreign exchange into Indonesia, especially if the PMA is a state investment. However, we must also be careful with these 100-percent PMAs because a megaproject based on a 100-percent PMA might in fact use investment funds originating within the country.

At the present time, Indonesia's "country risk," according to an evaluation made by an international institution, is triple B minus, not such a bad category. But if this is not watched or run carefully, it is quite possible that Indonesia will get a worse "country risk" rating. For example, the recent problems that the Bentoel cigarette factory in East Java experienced in paying off its foreign loans had serious consequences. A lack of trust in the Indonesian private sector developed abroad at that time.

Nevertheless, that does not mean that foreign loans are unnecessary. They continue to be needed even though they are not without risk, especially if they are in foreign currency, for example Japanese yen or American dollars.

Foreign loans can result in an increase in the Debt Service Ratio (DSR/ratio of installment debt to total value of exports) for which the government must assume responsibility. At the present time Indonesia's DSR is 32 percent, 21 percent of which is government debt and 11 percent is private-sector debt. Since foreign debt is not a government monopoly, in all honesty it is very difficult

to detect private-sector foreign debt. "There is no monetary authority in the world which can control the traffic in private loans," said the Minister of Finance.

The Bank of Indonesia (BI) itself, as a monetary authority, may not be able to find out whether someone in the private sector has obtained a secret loan from abroad. It is possible that many private companies do not register the foreign loans which they have obtained. [passage omitted]

The private sector's role in national development will be challenged even more by the signing of the General Agreement on Tariffs and Trade (GATT). GATT is a big opportunity for the domestic private sector to prove whether it can compete in international trade. Given our current work ethic, it is certain that we will not seize this opportunity. The Indonesian private sector, whether it wants to or not, must be able to produce goods which are more competitive in quality or in price than those produced by other countries. But it cannot just rely on itself. The various institutions closely connected with the private sector must provide support, especially capitalization, to allow it to compete in international trade.

At the present time domestic bank interest rates do not support the development of the private sector very well. Interest rates of about 18 percent, which are relatively high compared with those in other countries, make it hard for domestic firms to compete in this era of globalization.

Actually, in order to make the private sector a moving force in the next 25 years, the government must also pay close attention to the role of the capital market as a source of funding. The market had not yet played much of a role in PJP I, but PJP II is the time for the government to entrust the it with this vital role. No less a person than Minister of Finance Mar'ie Muhammad would like the capital market to play a greater role, parallel to that of the money market, in funding national development. So, in order to make that market parallel to the money market the government has issued a policy allowing the use of stocks as additional collateral when submitting an application for credit. This policy would seem to be very simple, but since it is accompanied by certain conditions stating that not all stocks can be used as collateral for credit its effect has been to churn transactions on the capital market. Under these regulations, non-liquid stocks (sleeping stocks) to be used as collateral in applying for credit must be transacted first.

Unwritten government stipulations concerning the Price Earnings Ratio (PER) have also supported this feverish activity. At first, on grounds of watching out for investor interests, especially small investors, the government set a maximum PER of 13 for a single issue of new stocks because a low PER means that initial offerings are within the reach of investors and will also give investors the opportunity for capital gains on the secondary market. However, the Minister admitted, prospective issuers (companies that go public) do not like a low PER because with a maximum PER of only 13 the hopes that issuers have of obtaining more funds by going public are only a dream.

Not long afterwards, however, the government, in this instance the Capital Market Oversight Board (BAPEPAM), changed the maximum PER standard from 13 to 15. BAPEPAM's policy differs from the Minister of Finance's more conservative policy of wanting a maximum PER of 13. Irrespective of that difference, BAPEPAM has strong reasons for raising the maximum PER limit to 15. It is hoped that a PER of 15 will continue to protect investor interests while not harming the interests of issuers. Conditions very beneficial to both parties might provide an impetus for issuers to speed up the process of going public, which in turn might brighten the Indonesian stock market. Hopes are particularly high for State-Owned Corporations, which on average have performed better than companies going public at the present time. According to figures issued by the Indonesian Business Data Center (PDBI), there are about 24 BUMNs suitable for entering the capital market. Up to now, unfortunately, only Gresik Cement Inc has started to do so.

Central Bank's Fiscal, Monetary Policy Viewed

94SE0070A Jakarta SUARA PEMBARUAN in Indonesian 19 Jan 94 p 2

[Excerpts] In 1994 the government is determined to hold fast to its cautious policy of controlling the fiscal and monetary sectors in order to place our economy in a safe position. J. Soedradjad Djiwandono, governor of the Bank of Indonesia (BI), made this statement at the Annual Banking Meeting held last Friday (14 January) in Jakarta. [passage omitted]

The government's cautious approach to banking could have been anticipated at the beginning of January when it lowered credit expansion objectives from about 20 percent in the second half of 1993 to about 17 percent in 1994.

The governor of the Bank of Indonesia's statements in his welcoming remarks can be made into a touchstone and a direction for the Indonesian business community. The governor of the Bank of Indonesia reminded the audience of the fiscal-monetary steps taken to safeguard the macroeconomic balance, in particular to prevent unnecessary pressures on the balance of payments. However, we must watch out for two areas: first, the uncertain price of oil on the world market; and second, an excessive increase in imports due to an increase in domestic economic activity. [passage omitted]

Based on the latest figures, the overall minimal capital adequacy ratio (CAR) has reached more than eight percent. The governor admitted, however, that not all individual banks have reached this eight-percent figure. [passage omitted] If national banking has succeeded in meeting this eight-percent CAR requirement, as stated by the governor, it shows that the health of our banking

system has made significant progress. However, it is not easy to meet this eight-percent CAR provision because, roughly speaking, for each 100-billion-rupiah increase in bank assets eight billion rupiahs in additional capital must be set aside from what is left of net profits after deducting taxes and dividends distributed to shareholders.

From 1991 to 1993 the average CAR of the seven government banks, except for the BTN [Bank Tabungan Negara], which is still around 5.35 percent, was raised to eight percent. This is certainly an achievement, considering that the additional capital needed to meet the provisions of the February Policy Package was provided under conditions of tight money when bank interest rates, for both deposits and loans, jumped up, accompanied by a high percentage of nonperforming loans.

Other developments in banking which are showing bright prospects according to the governor's report include the rapid increase in the number of banks which have succeeded in meeting the loan to deposit ratio (LDR) provisions. Banks with lending limits of 10 percent above deposits or with a ratio below 110 percent are considered healthy. It is ideal if the LDR does not exceed 100 percent, meaning that the bank lending limit does not exceed deposits. According to the governor's report, only 15 banks have LDRs above 110 percent.

As for the problem of the legal lending limit (3L), or the Maximal Limit for Granting Credit (BMPK)—a recent subject of discussion—Soedradjad warned banks to reduce their 3L violations by forming credit syndicates with other banks.

Section 11 Paragraph 2 of Banking Law Number 7 of 1992, states that the BMPK (3L) for groups of clients or individuals may not exceed 30 percent of the bank's capital. The objective of this tightening of credit is to minimize the risks and to equalize credit allocation because too much credit granted to a group of clients or to an individual can topple the bank if the loans cannot be paid back. Bank Summa is a recent example.

We agree with the governor when he suggests that the strategy of our national banking system should be to increase our qualitative ability to channel funds so that these mediating institutions can guarantee the safety of people's savings. Greater efforts should be made to uphold, for example, the provisions of the regulations in Law Number 7 of 1992, including criminal provisions.

The effects of globalization, the consequences of the speed-up in innovations and of recent structural changes which have changed the international financial system, must also be taken into account. Risks have been increasing and this has forced the monetary authorities, especially the central bank, to adjust its approach to monetary problems and to its macropolicies.

Laos

Mongolian President Arrives, Meets Khamtai

BK2802135394 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Feb 94

[Excerpts] In response to an invitation from His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], H.E. Mongolian President Punsalmaagiyn Ochirbat, his wife, and a high-level Mongolian delegation arrived in Vientiane by special plane at 1630 today for a four-day official friendship visit to our country.

H.E. Punsalmaagiyn Ochirbat, his wife, and the delegation were welcomed upon their arrival at Wattai Airport by H.E. President Nouhak Phoumsavan and his wife; H.E. National Assembly Chairman Saman Vi-gnaket; H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee; H.E. Vientiane Municipality Governor Boungnang Volachit; H.E. Phao Bounnaphon, minister attached to the Prime Minister's Office; H.E. Thongdam Chanthaphon, minister attached to President's Office; H.E. Trade Minister Sompadit Volasan; H.E. Thongsavat Boupha, deputy minister of foreign affairs; H.E. Khamphai Latsami, deputy minister of public health; and H.E. Chaleun Valinthalasak, ambassador extraordinary and plenipotentiary of the LPDR to Mongolia, along with a number of dignitaries and Vientiane residents. [passage omitted]

Accompanying H.E. President Punsalmaagiyn Ochirbat and his delegation on this visit to the LPDR are H.E. Foreign Affairs Minister Tserenpilyn Gombosuren; H.E. Tsebegmidiin Tsogt, minister of trade and industry; H.E. Toytigiyn Tomorhuleg, ambassador extraordinary and plenipotentiary of Mongolia to the LPDR [passage indistinct].

Later, H.E. President Punsalmaagiyn Ochirbat and his delegation met with H.E. LPDR Prime Minister Khamtai Siphandon at the Prime Minister's Office. At 1900, H.E. Punsalmaagiym Ochirbat, along with his wife and delegation, attended a banquet in their honor hosted by H.E. President Nouhak Phoumsavan and his wife at the National Assembly Hall in the capital, Vientiane.

Nouhak-Ochirbat Talks

BK0203101394 Vientiane KPL in English 0857 GMT 2 Mar 94

[Text] Vientiane, March 2 (KPL)—Lao PDR [People's Democratic Republic] President Nouhak Phoumsavan and Mongolian President Punsalmaagiyn Ochirbat yesterday morning held talks here.

At the high-level talks, President Nouhak Phoumsavan expressed pleasure with the current visit to Laos by the Mongolian president, which was of historic importance

to the relations between the two countries and contributed to creating peace and friendship for the two countries and the region.

The Mongolian president sincerely thanked the Lao president for inviting him to visit the country and for giving him a warm hospitality. He regarded the visit as paving the way for the bilateral relations and cooperation with new quality.

The two leaders also told each other about implementing the renovation policy in their respective countries. They praised the achievements the governments and people of the two countries had obtained in various areas in the past years. The sides discussed the development of the friendly relations and cooperation between the countries in the immediate and long-term future.

Taking part in the talks on the Lao side were Phao Bounnaphon, minister and head of the Prime Minister's Office; Thongdam Chanthaphon, minister and head of the President's Office; Sompadit Volasan, trade minister; Phongsavat Boupha, deputy foreign minister; Dr. Phai Latsami, deputy health minister; Chaleun Valinthalasak, Lao ambassador to Mongolia; and some other senior officials concerned.

Members of the Mongolian delegation at the talks included the foreign minister, the president of the National Assembly's Law Committee, the minister of trade and industry, the Mongolian ambassador, the president's foreign affairs advisor, and the president's economic advisor.

Khamtai Receives Ochirbat

BK0103130094 Vientiane KPL in English 0905 GMT 1 Mar 94

[Text] Vientiane, March 1 (KPL)—Prime Minister Khamtai Siphandon yesterday afternoon received Mongolian president Punsalmaagiyn Ochirbat, who is on a current visit to Laos from February 28 to March 3.

The Lao prime minister and the visiting Mongolian president talked with each other in a frank and cordial atmosphere, in which they exchanged views on developing relationship and cooperation between Laos and Mongolia. The sides expressed satisfaction over their relations over the past years and hoped that these good relations would be further strengthened in the interest of the two people, Lao and Mongolian.

Prime Minister Khamtai Siphandon praised the visit to the country by the Mongolian president as an important step and historic landmark in the relations between the two countries at the new stage. He expected that the Mongolian president's visit would be successful.

On his part, the Mongolian president expressed satisfaction and thanks to the Lao prime minister as well as the Lao Government and people for giving him and his delegation a warm hospitality during their current visit here. He also welcomed the achievements the Lao Government and people had (?yielded) in various fields through implementing the renovation policy in the country.

Banquet for Ochirbat, Speeches

BK0103105794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Mar 94

[Text] Yesterday evening, His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], and wife organized a dinner at the National Assembly hall in Vientiane in honor of H.E. President Punsalmaagiyn Ochirbat, his wife, and a top-level delegation of Mongolia that is currently on an official friendship visit to the LPDR.

Attending the banquet on the Lao side were H.E. Saman Vi-gnaket, chairman of the National Assembly; H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee; H.E. Boun-gnang Volachit, governor of Vientiane municipality; H.E. Phao Bounnaphon, minister attached to the Prime Minister's Office; H.E. Thongdam Chanthaphon, minister attached to the Presidential Office; H.E. Sompadit Volasan, minister of trade; H.E. Phongsavat Bouppha, deputy minister of foreign affairs; H.E. Dr. Khamphai Latsami, deputy minister of public health; and H.E. Chaleun Valinthalasak, ambassador extraordinary and plenipotentiary of the LPDR to Mongolia; along with other ministers, deputy ministers, and a number of dignitaries.

Attending on the Mongolian side were H.E. Tserenpilyn Gombosuren, minister of foreign affairs; H.E. Tumengiyn Albati, chairman of the Legal Affairs Committee attached to the People's Great Hural; H.E. Tsebegmidiin Tsogt, minister of trade and industry; and H.E. Toytigiyn Tomorhuleg, ambassador extraordinary and plenipotentiary of Mongolia to the LPDR; along with other members of the delegation, which comprises 18 persons.

At the banquet, H.E. Nouhak Phoumsavan, president of our country, delivered a speech. He said: Laos and Mongolia are situated in the same region. The peopies of the two countries have maintained similar specific characteristics in terms of customs, culture, and languages. The similarity in these specific points has served as the basis for the establishment of the long-standing, profound relations between the two countries. Through the process of the said relations, the two peoples have all along been friendly to each other. Noteworthy is that leaders at various levels of our two countries have regularly exchanged visits that have thus brought about mutual understanding and firm friendship with each other.

This official friendship visit to Laos by your excellency is considered a significant event in the relations between our two countries in the new stage. It has created a new step of the strengthening of friendship between the

peoples of the two countries. It has also resulted in further broadening the cooperation between our two countries. I maintain that all these have served the interest and aspirations of the Lao and Mongolian peoples. They have also significantly contributed to the common trend of the establishment and promotion of peace, stability, friendship, and cooperation among the countries in the region. As a friendly country, we have closely followed up the steps of development of Mongolia. We are glad to see that with the patriotic tradition, together with their industriousness and persistence in engaging in labor, the Mongolian people have successfully overcome the economic (?and social) difficulties step by step. As a result, the material and cultural life of the Mongolian people have been improved and the situation in the country has now been stabilized. We believe that with your excellency's efficient execution of the state affairs, the potential in various fields will be exploited and vigorously promoted and expanded, and Mongolia will then be further developed and will prosper.

H.E. President Nouhak Phoumsavan continued:

[Begin Nouhak Phoumsavan recording] After the establishment of the LPDR, our entire Lao people have positively implemented the tasks of defending and building the country. We have now carried out the renovation work in many fields. We have built the new, market-oriented economy along with the broadening of the relations and cooperation with foreign countries to draw foreign investments. Simultaneously, we have paid attention to gradually perfecting the political system to make it conform to the renovation in other fields. Through this process, we see that our country has basically achieved stability and tr nquillity while the people have maintained solidarity and harmony. The people's rights of being owners of the country have also been promoted and expanded as their living conditions have been evidently improved. [words indistinct] our entire Lao people have always wished to live in (?peace) and to be friends with (?peoples of other countries). For this reason, the LPDR Government has pursued and will consistently continue to pursue the policy of building the country to achieve peace, independence, friendship, and cooperation with various countries, regardless of the differences in the political and social systems on the basis of the five principles of peaceful coexistence. We support the creative activities of Mongolia in the international arena. We particularly support the announcement on the turning of Mongolia into a nuclear-free country, an act that has contributed to promoting and establishing stability and security in the region and the rest of the world. I would like to take this occasion to express gratitude to the Mongolian people for the precious support and assistance that they have rendered to our Lao people in the recent past.

Ladies, gentlemen, and distinguished guests: Laos and Mongolia have maintained a similar starting point in the socioeconomic field. (?Presently), the two countries are carrying out the restructuring [words indistinct] in accordance with their respective specific points and conditions. Both countries have wanted [words indistinct] through the implementation of similar economic mechanism and policy of broadening the relations with various countries. I am of the view that Laos and Mongolia have maintained the potential to increase cooperation in many fields in accordance with the interest and [words indistinct] (?of the peoples of the two countries). I am convinced that this visit to our country by H.E. President Ochirbat (?will create a positive step for our two countries) to promote, expand, and strengthen the friendly relations. It will also bring about the broadening of the cooperation between the two countries in accordance with the aspirations and interests of the two peoples of Laos and Mongolia. [end recording]

Later, H.E. President Punsalmaagiyn Ochirbat of Mongolia delivered a reply speech. He said:

[Begin Ochirbat recording, in Mongol fading into Lao translation] I am very pleased to note that our two countries and two peoples of Mongolia and Laos have together promoted and expanded the friendly relations since ancient times. The two sides have always made efforts and cooperated in overcoming various trials to enhance the said relations. I would like to reiterate here that increasing development and strengthening of the relations and cooperation between our two countries have resulted from the spirit of mutual respect and support. In recent years, [passage indistinct] though there was no development in the relations between our two countries due to (?the di[illegible]culties in switching to the market economy, which is our common objective), following the trend of friendship and cooperation that has covered the relations among various countries in the region and other favorable factors, our two countries have now maintained new conditions, and there is a potential to enhance the cooperation along a new path and under a new form. Besides, our two countries are situated in the same continent and have shared many common specific points, such as the states of being landlocked countries, having small populations, and maintaining almost the same level of development. With the efforts to fulfill similar objectives and with the spirit of respecting each other, our two peoples are marching forward along the same road on the friendly spirit of helping each other and cooperating with each other.

I also reiterate here that Mongolia has respected and attached importance to the traditional relations with the LPDR. I pledge to strengthen, promote, and expand the said relations to make them ever more prosperous on the basis of equality, mutual benefit, and with new contents and forms. [passage indistinct] The Mongolian government has always supported and will continue to support the foreign policy of cherishing peace and the efforts of the LPDR, which are aimed at turning Southeast Asia into a region of peace, stability, and cooperation. The Mongolian people are sincerely pleased to see the Lao people, who have maintained a long history [words indistinct], patriotic tradition, and heroic spirit of

struggle, have achieved success in implementing the policy of broadening the economy in advance to the marketing system. [end recording]

ASEAN Secretary General Arrives, Holds Talks

BK0103052494 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Feb 94

[Excerpts] This morning, Souban Salitthilat, acting minister of foreign affairs of the Lao People's Democratic Republic [LPDR], met and held talks with Ajit Singh, secretary general of the ASEAN, at the Vang Sadet guest house in Vientiane. Ajit Singh is currently on his first visit to the LPDR. The visit is scheduled from 27 February to 2 March. The meeting and talks proceeded in a very cordial atmosphere.

On this occasion, Souban Salitthilat informed the ASEAN secretary general of the (?domestic situation in Laos) and noted the possibility of expanding cooperation between Laos and the ASEAN group [words indistinct]. The two sides also discussed other issues of common interest. They particularly discussed means of effectively promoting and expanding the relations and cooperation between Laos and the ASEAN member countries in the immediate future.

ASEAN Secretary General Ajit Singh and his wife arrived in Vientiane at noon on 27 February. They were accorded a warm welcome by Souban Salitthilat, acting minister of foreign affairs, and his wife. They were also welcomed upon their arrival by members of diplomatic corps of the ASEAN countries along with a number of (?high-ranking cadres). [passage omitted]

The visit to Laos by the ASEAN secretary general on this occasion is considered a good sign for the friendly relations between Laos and the countries of the ASEAN group. The visit has also contributed to creating an atmosphere of mutual understanding between the countries in the region.

Khamtai Receives Secretary General

BK0103130194 Vientiane KPL in English 0941 GMT 1 Mar 94

[Text] Vientiane, March 1 (KPL)—Prime Minister Khamtai Siphandon received here yesterday Ajit Singh, ASEAN general secretary, who is on a four-day official visit to Laos at the invitation of the Lao foreign minister. On behalf of the Lao Government and people, Khamtai Siphandon congratulated and warmly welcomed Ajit Singh, and hoped that his visit to Laos contributed to the promotion of the relations of friendship and cooperation between Laos and member countries of the Association of the Southeast Asian Nations (ASEAN). [passage omitted]

The Lao prime minister requested the ASEAN general secretary to create favourable conditions for the acceptance of the Lao PDR [People's Democratic Republic] to ASEAN membership at a proper time.

Ajit Singh thanked the warm welcome and informed Khamtai Siphandon of the result of the meeting between the ASEAN general secretary and the delegation of the Lao Foreign Ministry. The discussion dealt with matters of interest in the area and in the region. [passage omitted]

Thailand

Cambodia Pays Compensation for Fishing Trawlers

BK0203114594 Bangkok PHUCHATKAN in Thai 2 Mar 94 p 2

[Text] Thai and Cambodian authorities eventually settled the dispute over the boundary of the two countries's territorial waters, which broke out 10 days ago when a Thai navy patrol boat sunk a Cambodian ship and arrested 14 Cambodian crewmen.

A high-level source in Trat Province informed PHUCHATKAN that a third round of talks between the Thai and Cambodian sides was held at the Trat provincial seat at 1430 on 1 March. The Cambodian side was represented during the meeting by Prasoet Siri, the kamnan of Tambon Hat Lek of Muang District, while the Thai side included Phairot Priyarat, provincial governor of Trat; Phairot Khaokhom, owner of the two ill-fated fishing trawlers—Chok Prinya 1 and Chok Prinya 2; and Major General Rattanachaloem Saenyakon, deputy director of the Army Operation Department.

No reporters or officials from any other agencies were allowed to attend the closed-door meeting which lasted over one hour. As a result of the meeting, the Cambodian side agreed to pay 1.5 million baht as compensation to the owner of the two fishing trawlers. Earlier, compensation for the two fishing vessels was estimated at 5 million baht. At 1600 the military handed over 14 Cambodian crewmen, who were detained in Trat Province after the incident. The crewmen were handed over to Cambodian Navy Commander Vice Admiral Tea Vinh [name and title as published] and Rung Phlamkesan, governor of Cambodia's Kho Kong Province, at the border crossing at Ban Hat Lek Village.

Phrairot Khaokhom told PHUCHATKAN that he agreed to take the amount as compensation for his two fishing trawlers because he was concerned about good relations between the two countries and wanted to see the problem settled as quickly as possible. He said he will not get involved in the fishing business as long as there is no clear demarcation line of the territorial waters of the two countries. He anticipatated that more problems of this nature will arise in the future.

Somchai Chairatchanukun, chairman of the Fishery Association of Khlong Yai District, Trat Province, disclosed that the problem has been settled only to a certain extent. The two countries should expedite the drawing of

the clear demarcation line to avoid the recurrence of the problem and prevent the situation from worsening beyond control. However, the province's sluggish fishing industry and related businesses are expected to pick up soon.

Prasong Responds to Taiwanese Complaints on Workers

BK0103030594 Bangkok THE NATION in English 1 Mar 94 p A5

[Text] Foreign Minister Prasong Sunsiri yesterday played down Taiwan's threat to halt importing Thai labour, saying Thailand has been seriously tackling the problems of illegal Thai workers in that country.

On Sunday the Taiwanese Council of Labour Affairs chairman accused Bangkok of being insincere on solving the problem of Thai workers in Taiwan and warned that his country would halt the labour import from Thailand.

Prasong said the Foreign Ministry was ready to help deal with the council's complaints but insisted that the Thai Public and Social Welfare Ministry was the responsible agency. "I don't know why it [the issue] has been brought up just now. The problem has long existed. Why are they talking about it now?" he said.

Chao Shou-po, chairman of the Council of Labour Affairs, warned Thailand that Taipei might have to suspend the import of Thai workers unless Bangkok tackles problems such as exorbitant commissions charged by Thai job placement agencies. Chao blamed the Thai government for "lacking application" in curbing such unfair practices. His attack was released just over a week after a three day-to Thailand trip by Taiwanese President Lee Teng-hui.

Prasong said if Thai workers illegally entered Taiwan they have broken the law and should be penalized accordingly. "We cannot blame a country which takes legal action against those who illegally enter its territory," Prasong said.

Job Replacement Department Director Sinchai Riantrakul, meanwhile, said that Thailand had done its best to solve the problem. He said the department had issued warnings in early February to at least 47 employment agencies to strictly comply with Thai law. He added that the department would take legal action against any company known to have collected exorbitant fees from Thai workers. "Yesterday was the deadline for job recruitment agencies to abide by the laws," he said.

Thai workers have to pay Bt80,000 to a job replacement agency before they are able to work in Taiwan.

Sinchai denied a report that there were 2,500 Thai workers illegally working in Taiwan, adding that he thought the flow of illegal workers to the island state was decreasing. He also said he did not how many job placement firms had contravened the law. Commenting on exorbitant fees, he said Taiwanese employment agencies were also to blame over the practice and Taiwan should help tackle the problem. "They [Taiwanese brokers] demand Bt20,000-Bt30,000 for each worker," he said.

Sony To Use Country as Cassette Production Base

BK0203024394 Bangkok THE NATION in English 2 Mar 94 p B2

[Text] Sony Magnetic Products (Thailand) will use Thailand as a production base for Southeast Asia for its video and audio compact cassettes. Hiroshi Takauchi, president, said the company's plant currently has an annual production capacity of 49 million audio and 13.4 million video cassettes. The plant occupies 52,000 square metres of land at Ladkrabang industrial estate. Its registered capital is Bt272 million and it employs 540 staff.

He said the company has invested [yen] Y400 million to increase capacity to 107 million audio and 20 million video cassettes. The firm is in the process of installing machines and expects to begin production in October this year.

He said the company currently exports 98 per cent of output to Europe, Japan, the US and Southeast Asia. Europe is the biggest market for exports, accounting for more than 50 per cent of the total volume, followed by Southeast Asia with 30 per cent, Japan with 10 per cent and the US, 10 per cent.

The company plans to increase domestic sales to 20 per cent of total sales. Audio cassettes will be the major products, which should account for 70 per cent of the domestic sales. He said the domestic market is affected by "dumped" products from Korea and Taiwan. For Sony, several components and raw materials have to be imported from Japan resulting in higher costs.

For fiscal 1993 which will end next month, the company expected exports of Bt1 billion. It hopes to increase sales 150 per cent by the end of 1994. He said the company also suffered from the strengthening of the yen which raised costs by 5 per cent.

The company plans to invest Y50 million to shift production of small parts of audio and video cassettes to Thailand. Three or four items will be produced here this year. Local production will reduce costs by 3 per cent. Some components such as punching dies and mold dies cannot be produced domestically. The company is looking for supporting industries to supply these components to the plant. Thailand will be a production base for Sony in Southeast Asia. He said Thai staff can meet Sony's standards but a shortage of infrastructure such as roads and communications is still a problem.

More Japanese Telecommunications Investment Sought

BK0203080994 Bangkok Radio Thailand Network in Thai 0530 GMT 2 Mar 94

[Text] Deputy Communications Minister Phinit Charusombat has reported on the outcome of his meeting with Japan's deputy international trade and industry minister in Tokyo yesterday.

The Thai deputy minister informed his Japanese counterpart of the latest progress and developments in telecommunications in Thailand and told him of the government's policy of allowing the private sector to invest more in the telecommunications field. As a result, the government has promoted free trade competition in line with Thailand's commitment to GATT.

Phinit said that Japan and Thailand have cooperated with each other in developing telecommunications activities in both the government and private sectors. Japanese companies have invested several billion baht in the communications field in Thailand. Given that Thailand is currently more prepared for foreign investors, Japan's international trade and industry ministry is therefore asked to encourage Japanese investors to invest more in Thailand, especially in the telecommunications field, so that the telecommunications services in Thailand and Japan will develop on an equal basis.

Police Complete Saudi Jewelry Case Investigation

BK0103024494 Bangkok THE NATION in English 1 Mar 94 p 1

[Text] Police have concluded their investigation of the Saudi jewellery scandal and submitted an official report to Interior Minister Gen Chawalit Yongchaiyut, an informed Interior Ministry source said yesterday. Chavalit received the report on Sunday. He is studying it in detail before deciding what to do next, the source said. "The minister said he will need two days to study the report," the source said.

A high-ranking Foreign Ministry source yesterday said Saudi officials have told the ministry that Thai-Saudi diplomatic ties would be restored and upgraded to full ambassadorial level in seven months. This is if the police fulfilled their promise to settle the case within this month. The account could not be confirmed by Saudi Charge d'Affaires Mohammed Said Khoja yesterday. "I don't know anything about it," he told The Nation by telephone.

Chawalit yesterday would not confirm whether he had received the official report from police. "The results should be known in two days," he said without elaborating.

The same source said police are preparing to arrest an elderly woman who was once the wet nurse of a police general. They have acquired evidence pointing to her possession of some of the missing jewellery.

The same Foreign Ministry source yesterday confirmed that Chawalit had received the police report concluding the years-old investigation into the disappearance of the Saudi jewellery. The source said the Foreign Ministry had consistently kept Saudi Arabia informed of progress in the case and the latest details, but not including the final report submitted to Chawalit, were translated and sent through the Thai Charge d' Affaires in Riyadh, Mahadi Wimana. The ministry has told its Saudi counterpart that the Thai police were wrapping up the jewellery case and preparing to arrest those suspected to be involved in the crime, he said.

The Saudi side was also told that Thai officials had promised good news in March, understood to mean the arrest of culprits, including some police officers, the source said. Riyadh has expressed appreciation for Thailand's efforts to settle the case and urged a continuing attempt to bring the culprits to justice, he said. "The Saudis have said if Thai authorities could settle the case in March as they have promised, Thai-Saudi diplomatic ties would be restored and upgraded to full ambassadorial level in seven months," the source said. Thailand and Saudi Arabia currently have charges d'affaires as the head of their respective embassies.

Thai-Saudi relations have been strained by the disappearance of some of the jewellery retrieved by Thai police in early 1990 after it was stolen by a Thai worker in Riyadh, and by the murders of three Saudi embassy officials in Bangkok in the same year. Riyadh has stopped issuing visas to Thai workers while pressing for settlement of the jewellery and murder cases.

Seven policemen and one civilian are on trial in connection with the suspected embezzlement of the missing jewellery and more arrests are expected.

Foreign Minister Prasong Sunsiri yesterday said he was waiting for official results of the investigation.

Vietnam

Spokesman on 'Positive' U.S. Property Talks

BK0203092094 Hanoi VNA in English 0914 GMT 2 Mar 94

[Text] Hanoi, March 2 (AFP)—The first round of discussions between Vietnam and the United States on recovering seized property at the end of the Vietnam War ended here "with positive results," the foreign ministry said Wednesday.

"There are still some concrete problems that will be discussed at the next meeting at the working level," a foreign ministry spokesman told AFP without specifying when or where the next round of discussions would take place.

U.S. State Department officials refused to comment on the talks.

The bilateral meeting, the first since Washington lifted an economic embargo on Vietnam on February 4, lasted two days and brought together State Department, Treasury and Justice Department officials with their Vietnamese counterparts.

Claims by the two sides are estimated to total more than 500 million dollars in assets seized or frozen following the fall of Saigon in 1975.

The opening of reciprocal representative offices in Hanoi and Washington, proposed by US President Bill Clinton, has already been accepted in principle by Vietnam.

U.S. delegation leader, James Hall, at his own request visited sites of searches for American servicemen missing in action, said the Vietnamese spokesman.

Vo Van Kiet Rejects Compromise With Vatican

BK0203053794 Hong Kong AFP in English 0350 GMT 2 Mar 94

[Text] Hanoi, March 2 (AFP)—Vietnamese Premier Vo Van Kiet has ruled out a compromise with the Vatican in a dispute on the appointments of priests, saying that his government must be consulted in the selection of clergy, according to an interview seen here Wednesday.

Kiet told the weekly newspaper Cong Giao va Dan Toc (Catholicism and the Nation) that the issue was one of "national sovereignty," as Vietnam had not signed any agreements with the Vatican allowing them to make unfettered decisions in their appointments. Each country had the right to ensure stability and order through its own rules, Kiet said, but adding that he believed the Vatican "would not create a tense situation and push the local church to violations of national laws."

After a brief thaw, when Vietnam relaxed some religious restrictions, relations between Hanoi and the Vatican worsened in September when authorities in Ho Chi Minh City rejected the appointment of Bishop Huynh Van Nghi as a "supervisor" of the church instead of deputy archbishop.

City officials denounced the move as a "Vatican plot" to install an exiled nephew of former South Vietnamese President Ngo Dinh Diem as successor to the current archbishop, who is more than 80 years old and ailing. Vietnamese officials said they had agreed that Nghi would be named deputy to replace Archbishop Nguyen Van Binh and accused the Vatican of manoeuvring to position Diem's nephew Nguyen Van Thuan in the job. Thuan was appointed deputy archbishop in 1975, but the communists took power in the then Saigon soon afterwards and refused to let him take up his post. He left Vietnam for Rome in 1992 and has not been allowed to return.

Kiet praised Archbishop Binh in the interview, saying he had not failed in his duties to the nation, although "unfortunately, not all Vietnam's bishops have adopted this positive line." Some seven million people, or around 10 percent of Vietnam's population, are Catholic, making it the second largest church community in Asia after the Philippines.

But the problems between Hanoi and the Vatican have left the country without a cardinal, as no successor has yet been named to replace Trinh Van Canh, the archbishop of Hanoi who died in 1990. Hanoi has also been irritated by a Vatican ruling that priests should not join any political organisations in Vietnam, including the Solidarity Committee of Patriotic Catholics, which comes under the Communist Party's Fatherland Front. Vietnam insists that Catholics belong to the committee but has denied accusations from the Vatican that it is trying to form a state-controlled church.

NHAN DAN Hails Visit by Goh Chok Tong

BK0203080894 Hanoi Voice of Vietnam Network In Vietnamese 2300 GMT 1 Mar 94

[NHAN DAN 2 March Editorial: "Strengthen the Vietnam-Singapore Relations of Friendship and Cooperation"]

[Text] At the invitation of Vietnamese Prime Minister Vo Van Kiet, Singaporean Prime Minister Goh Chok Tong is paying an official friendship visit to Vietnam today. Following the official friendship visit to Singapore by party General Secretary Do Muoi and Prime Minister Vo Van Kiet, the official visit to Vietnam by the Singaporean Prime Minister is a new, important event asserting the common aspiration of the two countries' leaders in strengthening the bilateral relations of friendship and cooperation, thereby contributing to restoring peace and stability and promoting cooperation and development in the Southeast Asian region.

We share Singapore's pleasure with its great achievements in national construction. During the past 30 years, through various creative development programs, the Singaporean Government and people have led the small country, with a sparse population and minimal natural resources, to advance to a developmental peak and become a world renowned economic, trade, and financial center.

In 1993, Singapore attained 9.8 percent economic growth compared with 5.6 percent in 1992. The electronic industries increased by 25 percent and the vessel building industry by 18.8 percent; about 6.4 million tourists visited the country last year, increasing national income by 6.9 percent. Singapore's per capita income now reaches $18,000 [as heard].

Vietnam and Singapore are close friends who have maintained diplomatic relations since 1973. Since Singapore lifted its trade embargo on Vietnam in 1991, Vietnam-Singapore economic and trade cooperation has developed vigorously. Today, Singapore is one of Vietnam's biggest trade partners. The two-way trade value in 1993 reached $1.4 billion compared with $110 million in 1980. Up to January this year, Singapore has 54 projects in Vietnam with an investment capital of $431 million. In this, it leads the ASEAN countries and is ranked sixth among foreign investors in Vietnam. Various bilateral agreements on civil aviation, shipping, sea transportation, trade, investment insurance, and protection of the environment are being satisfactorily implemented.

We sincerely thank the Singaporean Government for attaching importance to promoting relations with Vietnam, especially in the trade and economic domains. We appreciate Singapore's efforts in sharing with Vietnam its rich experiences in economic management and national development.

During his official visit to Singapore in October last year, General Secretary Do Muoi asserted that Vietnam and Singapore have many firm bases for strengthening bilateral relations. The Vietnamese and Singaporean peoples share the same spirit of maintaining national independence, promoting self-reliance, and upholding the national characteristics. They also share a common wish to develop the general trend of peace, stability, and development in the region and the world.

We are confident that the official friendship visit to Vietnam by Prime Minister Goh Chok Tong will significantly contribute to promoting mutual understanding and trust and expanding the multifaceted cooperation between Vietnam and Singapore.

Fiji

Observers See Chance of Healing Ethnic Rifts

BK2802124794 Melbourne Radio Australia in English 0630 GMT 28 Feb 94

[From the "International report" program]

[Excerpt] In Fiji, one-time coup leader Sitiveni Rabuka has been sworn in as prime minister for second term as the country's elected leader. He survived the leadership challenge which led to a snap election just 20 months into his first term in office. Fiji votes under a racial system guaranteeing indigenous Fijian dominance in the Parliament. However, Mr. Rabuka now has a stronger mandate and says he can work with the country's other major race, the Indians. Erina Reddan reports from Fiji:

[Begin recording] [Reddan] (?Several observers said) Fiji has voted along racial lines. The smaller multiracial parties were the big losers as Fiji went for the more established Fijian and Indian parties.

Prime Minister Sitiveni Rabuka's SPT [Soqosoqo ni Vakavulewa ni Taukei] Party won most of the Fijian seats—31 of the 37—which successfully fought off the challenge by the new one-month-old Fijian Association. Its leader and long-time Rabuka rival, Josevata Kamikamica, who launched the leadership challenge last November which led to the snap poll, has lost his seat. Mr. Rabuka can now lead the government apparently unhampered by internal strife. On the Indian side, the electorate also returned to its party of tradition, the National Federation Party. It won 20 of the 27 seats at the expense of the Labor Party, which lost heavily—down from 13 to six seats.

Despite the strong race vote, there is more chance now healing the bitter rift between Indians and Fijians at any time since the 1987 military coups which overthrew an Indian-dominated government and led to systematic discrimination against Indians. The extremist anti-Indian Nationalists lost their five seats, while the Fijian SPT Party and the Indian National Federation Party are both talking about understanding each other. After swearing in Prime Minister Rabuka, President Ratu Sir Kamisese Mara called for a Fiji free of racial conflict.

[Mara] People of Fiji: The world is watching us closely, and there are some who still believe our nation of many races, cultures, and faiths is doomed to failure. As your chosen government takes office, let us once more show the naysayers the depth and strength of this country and our determination to find common ground for a common future. [end recording] [passage omitted]

Rabuka Demands 'Complete Honesty', Convenes Cabinet

BK0203101594 Hong Kong AFP in English 0853 GMT 2 Mar 94

[Excerpts] Suva, March 2 (AFP)—Fiji's newly re-elected Prime Minister Sitiveni Rabuka demanded complete honesty from his streamlined cabinet of 12 ministers at their first meeting here Wednesday. [passage omitted]

Rabuka also stressed that his ministers must discharge their duties impartially and serve the government and the people of Fiji to the best of their ability. The prime minister also requested the ministers disclose in confidence a full list of their holdings of stocks in companies and shares they have acquired after taking office.

His moves followed reports last year that Rabuka's wife and one of his cabinet ministers had shares in a construction company which had won a five million Fiji dollar (3.2 million US dollar) contract to upgrade Fiji's international airport at Nadi, on the western edge of the main island. At the time Rabuka denied he had anything to do with the awarding of the contract to the company, whose bid was the lowest, and later his wife and the cabinet minister sold their shares.

New Zealand

Turk's Wellington Contacts, News Conference

TA0103144294 Ankara TRT Television Network in Turkish 1100 GMT 1 Mar 94

[Announcer-read report over video]

[Text] Foreign Minister Hikmet Cetin, who is on an official visit in New Zealand, has concluded his contacts in Wellington. Yasar Kefeli from the Turkish Radio and Television team in Wellington reports the following:

[Begin Kefeli recording] The significant role New Zealand, a UN Security Council member, can play in the solution of regional issues such as Bosnia-Herzegovina and Karabakh was discussed at the talks Cetin held in Wellington. The restructuring of the UN Security Council and how it can become more effective were also discussed at the talks. Cetin was also received by New Zealand Prime Minister Jim Bolger. He also met with Donald Charles McKinnon, New Zealand deputy prime minister and minister of external relations and trade.

Later official talks were held between the two delegations headed Cetin and McKinnon. The two ministers held a joint news conference after the talks. Cetin said that bilateral and regional relations were discussed at the talks and that the situation in Middle East, Iraq, the Balkans and the Caucasus were discussed within this framework. Cetin stated that if the tragedy in Bosnia-Herzegovina does not end then similar incidents might occur in other regions in the world as well, adding that the Armenian occupation of part of Azerbaijani territory constitutes such an example. [end recording]

Vanuatu

Jean Marie Leye Sworn in as New President

BK0203082994 Melbourne Radio Australia in English 0500 GMT 2 Mar 94

[Text] Vanuatu has a new president. Jean Marie Leye was sworn in today as the country's third president after two previous attempts to elect a national leader failed. South Pacific correspondent Erina Reddan reports one opposition group crossed the floor to support the government's candidate, paving the way for a future coalition between the two groups.

[Begin Reddan recording] In the third attempt to elect a president, the political deadlock was broken when one opposition group, the Vanuaaku Pati [VP], voted with the government to achieve the required two-thirds majority.

Leader of the VP and of the opposition, Donald Kalpokas, is confident that within a few days his party will have formally joined the government. The VP's nine seats in Parliament will bolster Prime Minister Maxine Carlot Korman's slim majority.

President Leye, 61 years old, formerly the vice president of the ruling Union of Moderate Parties, was elected with 41 votes. Five went to Father John Bani, and nine were spoiled or left blank. After being sworn in, the president said today's consensus was only the start of greater harmony and unity in Vanuatu. [end recording]

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